

**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

**MOTION RECORD
(DISTRIBUTION OF FUNDS - RETURNABLE JUNE 22, 2022)**

June 15, 2022

BLANEY McMURTRY LLP
Lawyers
1500 - 2 Queen Street East
Toronto, ON M5C 3G5

Mervyn D. Abramowitz (LSUC#: 28323R)
Tel: (416) 597-4887
mabramowitz@blaney.com

Lawyers for MNP Ltd. in its capacity as
Court-appointed Liquidator of the Applicants

TO: **THE SERVICE LIST**

SERVICE LIST

TO: MNP LTD.
111 Richmond Street West
Suite 300
Toronto, ON M5H 2G4

Jerry Henechowicz
(416) 515-3924
jerry.henechowicz@mnp.ca

Court-Appointed Liquidator 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.

TO: CHAITONS LLP
5000 Yonge Street
10th Floor
Toronto, ON M2N 7E9

George Benchetrit
(416) 218-1141
george@chaitons.com

Lawyers for Ernst & Young Inc., in its capacity as
Court-Appointed Liquidator of Pace Securities Corp., Pace Financial Limited,
Pace Insurance Brokers Limited and Pace General Partner Limited

TO: ERNST & YOUNG INC.
EY Tower
100 Adelaide Street West
P.O. Box 1
Toronto, ON M5H 0B3

Jeffrey Kerbel
(416) 943-3545
jeffrey.d.kerbel@ca.ey.com

Alison Ho
(416) 943-3119
alison.ho@ca.ey.com

Court-Appointed Liquidator of Pace Securities Corp., Pace Financial Limited,
Pace Insurance Brokers Limited and Pace General Partner Limited

TO: LAX O'SULLIVAN LISUS GOTTLIEB LLP

Suite 2750, 145 King Street West

Toronto, ON M5H 1J8

Crawford G. Smith

Tel: (416) 598-8648

csmith@lolg.ca

Andrew Winton

Tel: (416) 644-5342

awinton@lolg.ca

Jasmine K. Landau

Tel: (416) 956-0110

jlandau@lolg.ca

Zain Naqi

Tel: (416) 645-3789

znaqi@lolg.ca

Lawyers for Pace Savings & Credit Union Ltd.

TO: DICKINSON WRIGHT LLP

199 Bay Street

Suite 2200

Toronto, ON M5L 1G4

Lisa Corne

(416) 646-4608

lcorne@dickinsonwright.com

Lawyers for First Hamilton Holdings Inc., First Hamilton Financial Services Inc.,

First Hamilton Capital Inc., First Hamilton General Partner 2 Incl, and

First Hamilton Mortgage Brokers Inc.

TO: LENCZNER SLAGHT

130 Adelaide Street West

Suite 2600

Toronto, ON M5H 3P5

Katelyn Coleman

(416) 869-2942

sroy@litigate.com

Lawyers for Laurentian Bank Securities

TO: GOODMANS LLP
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Jason Wadden
Tel: (416) 597.5165
jwadden@goodmans.ca

Meghan King
Tel: (416) 597.4164
mking@goodmans.ca

Lawyers for Financial Services Regulatory Authority of Ontario

TO: GARDINER ROBERTS LLP
Bay Adelaide Centre - East Tower
22 Adelaide Street West
Ste. 3600
Toronto, ON M5H 4E3

John Champion
(416)865-6697
jcampion@grllp.com

Lawyers for Pace Credit Union

TO: DEPARTMENT OF JUSTICE
120 Adelaide Street West
Suite 400
Toronto, ON M5H 1T1

Diane Winters
Tel: (647) 256-7459
diane.winters@justice.gc.ca

TO: INSOLVENCY UNIT
insolvency.unit@ontario.ca

INDEX

**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

I N D E X

Tab	Document	Page Number
1	Notice of Motion returnable June 22, 2022	1 - 6
2	Fifth Report of MNP in its capacity as Court-Appointed Liquidator of the Applicants dated June 14, 2022	7 - 19
A	Appendix "A" – Order of Hainey J. dated May 21, 2020	20 - 35
B	Appendix "B" – Order of Hainey J. dated August 6, 2020	36 - 45
C	Appendix "C" – Order of Koehnen J. dated March 2, 2021	46 - 48
D	Appendix "D" – Order of Koehnen J. dated July 30, 2021	49 - 65
E	Appendix "E" – Order of Koehnen J. dated November 1, 2021	66 – 68
F	Appendix "F" – Fourth Report of the Liquidator dated July 26, 2021 (without appendices)	69 – 77

Tab	Document	Page Number
G	Appendix “G” – Order of Gilmore J. dated March 2, 2022	78 – 82
H	Appendix “H” – Initial Distribution Listing	83
I	Appendix “I” – Final Distribution Listing	84
J	Appendix “J” – Shareholders’ Register	85 – 87
K	Appendix “K” – Statement of Receipts and Disbursements for the period ended June 8, 2022	88
L	Appendix “L” – Statutory Declaration	89
M	Appendix “M” – Affidavit for Fees of Jerry Henechowicz sworn June 14, 2022	90 – 97
N	Appendix “N” – Affidavit for Fees of Lou Brzezinski sworn June 14, 2022	98 – 115
3	Draft Order	116 - 119

TAB 1

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 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

NOTICE OF MOTION

(Distribution of remaining funds, returnable June 22, 2022)

MNP Ltd. (“MNP” or the “**Liquidator**”), in its capacity as Liquidator of the estate and effects of the Applicants, will make a motion to a Judge presiding over the Commercial List on Wednesday, June 22, 2022 at 12:00 noon or as soon after that time as the motion can be heard, by judicial teleconference via Zoom at Toronto, ON.

PROPOSED METHOD OF HEARING: The motion is to be heard by video conference, with a video link to be provided a few days before the return date of the Motion.

THE MOTION IS FOR:

- (1) An Order substantially in accordance with the draft order attached as Tab 3 to the Motion Record herein, and more particularly:

- 2 -

- (2) validating service of the Motion Record, if necessary, and dispensing with any further service of the Motion Record, such that this motion is properly returnable on June 22, 2022;
- (3) approval of the activities of the Liquidator, as described in the Liquidator's Fifth Report to this Court ("**Report**"),
- (4) advice and directions of the Court, and more particularly, authorizing and directing the Liquidator to contact certain persons listed on the Common Shareholder Registers of FHH ("**FHH Shareholder Registers**"), as well as any other potential common shareholders of FHH the FHH Liquidator may learn about or identify, and have them verify their status and respective shareholdings, and thereafter distribute the remaining funds in the hands of the Liquidator, net of any additional professional fees and disbursements, on a pro rata basis, to the common shareholders of FHH;
- (5) approving the fees and disbursements of the Liquidator and its legal counsel, as set out in the fee affidavits of Jerry Henechowicz and Lou Brzezinski, respectively, including the estimated fees and disbursements of the Liquidator and its legal counsel to complete the administration of the Corporation, as set out in the Report; and,
- (6) such further and other relief as counsel may advise and to this Court seems just.

THE GROUNDS FOR THE MOTION ARE:

- (1) First Hamilton Holdings Inc. ("**FHH**") carried on business as an investment vehicle for accredited investors to earn fixed dividends from an investment in a basket of high-yield bonds. FHH raised capital by selling preference shares and used those

proceeds to purchase high-yield bonds on “margin”;

- (2) For various reasons previously noted, the proposed investments were not suitable for the investors;
- (3) on May 21, 2020, pursuant to an order of this Court (the “**Appointment Order**”), MNP Ltd. (“**MNP**”) was appointed liquidator (“**Liquidator**”) of the estate and effects of the Applicants;
- (4) on August 6, 2020, the Court appointed representative counsel to represent the interests of the investors;
- (5) on July 30, 2021, this Court approved a settlement of the claims of the investors, which settlement included a release by the investors of any further claims against FHH;
- (6) the settlement was subsequently concluded, with the payment of the settlement funds by the settling parties, and the distribution of the settlement funds to the investors;
- (7) on March 2, 2022, following a claims process that identified various creditor claims against FHH, this Court issued an order (“**Discharge Order**”) that, among other things:
 - (a) authorized the Liquidator to distribute the funds in its hands, on a pro rata basis, to those creditors whose claims had been allowed by the Liquidator, as set out in the Proven Claims Listing attached as Exhibit K to the Fourth Report;
 - (b) dissolved the Companies; and,
 - (c) discharged the Liquidator, but provided that the Liquidator would remain in

its position so as to be able to complete its mandate, and if necessary, return to the Court for advice and directions;

- (8) thereafter, the Liquidator distributed the funds in its hands to the creditors, as provided for in the Discharge Order;
- (9) however, one of the creditors subsequently advised the Liquidator that its claim had been over-valued and that its claim was less than that stated in the Proven Claims Listing referred to above;
- (10) the Liquidator then paid the revised amount of the creditor's claim, and indeed paid all of the creditor claims in full;
- (11) however, the result was that the Liquidator is now in possession of additional funds, having paid all of the outstanding creditor claims against FHH;
- (12) in the usual case, the Liquidator would repay the said funds to FHH; however, FHH has now been dissolved;
- (13) it is therefore appropriate that the Liquidator pay the remaining funds in its possession, on a pro rata basis, to the common shareholders of FHH;
- (14) the Liquidator has been provided with copies of the FHH Shareholder Registers and has been able to determine the identity of the common shareholders from the FHH Shareholder Registers;
- (15) however, the FHH Shareholder Registers do not contain any entries beyond March 15, 2019 and the Liquidator is therefore not aware as to whether the FHH Shareholder Registers, and the information contained in them, are up to date;
- (16) the Liquidator proposes to contact the common shareholders listed in the FHH Shareholder Registers, as well as any other potential common shareholders of FHH

the FHH Liquidator may learn about or identify, and have them verify their respective shareholdings, and complete a Statutory Declaration in that regard, and thereafter distribute the remaining funds in the hands of the Liquidators to the said shareholders, pro rata, and thereby complete the winding up of FHH;

- (17) the Appointment Order also provided that the Liquidator and its legal counsel were to be paid their reasonable fees and disbursements, that they would both benefit from an Administration Charge in respect thereof, and that they were to pass their accounts from time to time, and that a judge of the Commercial List was appointed for that purpose;
- (18) the professional fees and disbursements of the Liquidator and its legal counsel were last approved by this Court on March 2, 2022, and the Liquidator therefore seeks approval of its fees and disbursements, along with those of its legal counsel since that date, as well as the proposed fees and disbursements to complete the estate herein;
- (19) the Liquidator is of the view that the said fees and disbursements are reasonable;
- (20) the Appointment Order, and the Discharge Order; and,
- (21) such further and other grounds as counsel may advise and this Court deem just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (1) the Fifth Report of the Liquidator, dated June 14, 2022, and the appendices attached thereto;
- (2) the Fee Affidavits of Jerry Henechowicz sworn June 14, 2022, and Lou Brzezinski sworn June 14, 2022; and,
- (3) such further and other material as counsel may advise and this Court permit.

June 14, 2022

BLANEY McMURTRY LLP

Lawyers

1500 - 2 Queen Street East

Toronto, ON M5C 3G5

Mervyn D. Abramowitz (LSUC#: 28323R)

Tel: (416) 597-4887

Email: mabramowitz@blaney.com

Lawyers for MNP Ltd. in its capacity as Court-
appointed Liquidator of the Applicants

TO: **THE SERVICE LIST**

TAB 2

**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

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

June 14, 2022

TABLE OF CONTENTS

Introduction and Background	4
FHH Investor Claims Settlement	5
FHH Liquidator's Claims Process	6
Purposes of this Fifth Report	7
Terms of Reference	8
Claims Process and Distributions to Creditors	9
Statement of Receipts and Disbursements	11
Professional Fees and Disbursements	11
Discharge of the FHH Liquidator	12
Recommendations	12

APPENDICES

- Appendix “A” - Winding Up Order dated May 21, 2020
- Appendix “B” - Representative Counsel Appointment Order dated August 6, 2020
- Appendix “C” - Claims Procedure Order date March 2, 2021
- Appendix “D” - Settlement Approval Order dated July 30, 2021
- Appendix “E” - FFH Liquidator Claims Procedure Order dated November 1, 2021
- Appendix “F” - FHH Liquidator’s Fourth Report (without appendices) dated February 22, 2022
- Appendix “G” - Discharge Order dated March 2, 2022
- Appendix “H” - Initial Distribution Listing
- Appendix “I” - Final Distribution Listing
- Appendix “J” - FHH Shareholder Registers
- Appendix “K” - Shareholder Statutory Declaration Template
- Appendix “L” - Statement of Receipts and Disbursements dated June 8, 2022
- Appendix “M” - FHH Liquidator’s Fee Affidavit
- Appendix “N” - Blaney McMurtry LLP Fee Affidavit

INTRODUCTION AND BACKGROUND

1. This fifth report (the “**Fifth Report**”) is filed by MNP Ltd. (“**MNP**” or the “**FHH 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**”), First Hamilton Capital Inc. (“**FHC**”) and First Hamilton Mortgage Brokers Inc. (“**FHMB**” and, together with FHH, FHFS, FHGP2 and FHC, hereinafter collectively referred to as 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 (titled the “**Winding Up Order**”) is attached hereto as **Appendix “A”**.
2. FHH operated a business investment corporation, principally by using the services of Pace Securities Corporation (“**PSC**”) as its portfolio manager, to invest FHH’s funds in bonds and other debt instruments, and to acquire or develop equity investments.
3. FHH was created as an investment vehicle for qualified investors to earn fixed dividends from FHH investing in a basket of high-yield bonds and other equity securities (the “**FHH Securities**”). FHH raised capital by selling the Preference Shares (as defined herein). FHH used those proceeds to purchase the FHH Securities 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 FHH Securities, net of management costs and other expenses, were to be used to fund regular dividend payments to the preference shareholders.
4. Almost all of FHH's investors were retail investors, many of whom were also members of the related entity PACE Credit Union, and many were also customers of PSC. PSC also provided brokerage, investment and business management services to the FHH Entities.
5. PSC did not actually hold its customers’ cash and securities itself. Rather, PSC was registered with the Investment Industry Regulatory Organization as a Type 2 “introducing broker”, and as such, PSC contracted its back-office functions to a “carrying broker”.
6. PSC’s carrying broker was Laurentian Bank Securities (“**LBS**”). LBS was therefore the custodian of the securities and cash of FHH’s investors.

7. As noted above, FHH purchased the FHH Securities on margin, 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 was PSC's carrying broker, any margin loans provided through a PSC account were in fact provided by LBS.
8. Thus, LBS loaned funds to FHH to permit it to purchase more securities than FHH would otherwise have been able to purchase from funds invested through Preference Shares.

FHH INVESTOR CLAIMS SETTLEMENT

9. On May 14, 2020, pursuant to the Order of the Honourable Mr. Justice Hainey, Ernst & Young Inc. ("**EYI**" or the "**PSC Liquidator**") was appointed as Liquidator of the estate and effects of PSC, PFL, Pace Insurance Brokers Limited and Pace General Partner Limited.
10. On May 21, 2020, as noted above, by order of the Honourable Justice Hainey, MNP was appointed Liquidator of the estate and effects of the FHH Entities.
11. On July 31, 2020, the FHH Liquidator filed its first report (the "**First Report**") to provide the Court with information regarding, *inter alia*:
 - a) 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
 - b) the FHH Liquidator's rationale in support of its motion that the Court appoint Paliare Roland as representative counsel ("**Representative Counsel**") to represent the interests of certain Preference Share Investors (the "**Investor Claimants**") who purchased preferred shares of FHH or Pace Financial Limited ("**PFL**") (collectively, the "**Preference Shares**") or units of Pace Capital Partners LP ("**PCP**").
12. On August 6, 2020, the Court issued an order (the "**Representative Counsel Appointment Order**") that, among other things, appointed Paliare Roland as

Representative Counsel for the Investor Claimants in the FHH Entities. A copy of the Representative Counsel Appointment Order is attached hereto as **Appendix “B”**.

13. On March 2, 2021, Representative Counsel obtained the Claim Procedure Order, attached as **Appendix “C”**, establishing, among other things, the procedure for an early-stage mediation (the “**Mediation**”) of the Investor Claimants’ claims (the “**Investor Claims**”).
14. With the assistance of the Mediator, Representative Counsel and various parties agreed upon terms of settlement resolving substantially all of the Investor Claims, subject to court approval (the “**Settlement**”). The Settlement resulted in monetary compensation totaling \$40 million to be paid to the Investor Claimants in exchange for the release of claims between certain Settling Parties.
15. On July 30, 2021, by order of the Honourable Justice Koehnen, the Court approved the Settlement, a copy of which order is attached hereto as **Appendix “D”**.
16. On October 19, 2021, by order of the Honourable Justice Penny, the Court, among other things, approved Representative Counsel’s proposed allocation and distribution of the Settlement proceeds amongst the Investor Claimants.

FHH LIQUIDATOR’S CLAIMS PROCESS

17. Following the resolution of the Investor Claims and the completion of the liquidation of FHH’s securities portfolio, the FHH Liquidator was of the view that was an appropriate time to address the claims of the remaining creditors of the FHH Entities.
18. On October 25, 2021, the FHH Liquidator served its third report dated October 25, 2021, that among other things, provided the Court with information relating to:
 - a) the completion of the asset realizations; and
 - b) the FHH Liquidator’s rationale in support of its proposed claims process for the FHH Entities.
19. On November 1, 2021, the Court issued a claims procedure order (the “**Claims Procedure Order**”). A copy of the Claims Procedure Order is attached hereto as **Appendix “E”**.

20. On February 22, 2022, the FHH Liquidator served its fourth report (the “**Fourth Report**”) that, among other things:
- a) provided the Court with the results of the completion and results from the claims process (the “**Claims Process**”) as set out in the Claims Procedure Order; and,
 - b) proposed distribution of the remaining funds from the net asset realizations, after completion of the FHH Liquidators administrative matters.

A copy of the Fourth Report, without appendices, is attached as **Appendix “F”**.

21. On March 2, 2022, following the FHH Liquidator’s completion of the Claims Process, that identified various creditor claims against FHH, this Court issued an order (“**Discharge Order**”) that, among other things:
- a) authorized the Liquidator to distribute the funds in its hands, on a pro rata basis, to those creditors whose claims had been allowed by the Liquidator, as set out in the Proven Claims Listing attached as Appendix K to the Fourth Report;
 - b) dissolved the Companies; and,
 - c) discharged the Liquidator, but provided that the Liquidator would remain in its position so as to be able to complete its mandate, and if necessary, return to the Court for advice and directions;

A copy of the Discharge Order is attached as **Appendix “G”**.

PURPOSES OF THIS FIFTH REPORT

22. The purposes of this Fifth Report are to:
- a) provide the Court with information regarding the FHH Liquidator’s activities since the Fourth Report, including
 - the completion of the distributions to all creditors that had proven claims, in accordance with the terms of the Claims Process; and,
 - b) obtain the advice and direction of the Court, and more particularly, authorizing and directing the Liquidator to contact certain persons listed on the Common Shareholder Registers of FHH

(“**FHH Shareholder Registers**”) to verify their status as common shareholders and their respective shareholdings, and thereafter distribute, net of any additional professional fees and disbursements, the remaining funds (“**Remaining Funds**”), on a pro rata basis, to the common shareholders of FHH; and

c) request that the Court issue an order:

- i. approving the activities of the FHH Liquidator;
- ii. approving the fees and disbursements of the FHH Liquidator and its legal counsel, Blaney McMurtry LLP (“**Blaney**”) including the estimated fees and disbursements of the FHH Liquidator and its legal counsel to complete the administration of FHH; and,
- iii. such further and other relief as counsel may advise and to this Court seems just.

TERMS OF REFERENCE

23. In preparing the FHH Liquidator’s Reports including this Fifth 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 PSC;
- b) the Companies’ books and records and certain available but unaudited, draft and/or internal financial information obtained by the FHH Liquidator;
- c) discussions with and information provided by the Companies’ former directors and management;
- d) discussions and communications with the PSC liquidator and certain of its related and affiliated entities, EYI and its counsel;
- e) discussions and communications with individual investors who purchased Preference Shares;

- f) discussions and communications with Representative Counsel as well as counsel to the various Settling Parties (as defined below);
 - g) during the course of the Mediation and Settlement proceedings; and
 - h) other third-party sources or as otherwise available to the FHH Liquidator and its counsel.
24. The FHH 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 FHH Liquidator expresses no opinion or other form of assurance in respect of the Information.
25. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.
26. Capitalized terms not defined in the Fifth Report have the meaning ascribed to them in the Appointment Order.
27. The FHH Liquidator will make a copy of this Fifth Report, and related documents, available on the FHH Liquidator's website at www.mnpdebt.ca/firsthamilton.

CLAIMS PROCESS AND DISTRIBUTIONS TO CREDITORS

28. As set out in paragraph 44 of the Fourth Report, \$545,012.24 of unsecured creditor claims of the FHH Entities were proven (the **"Proven Creditors"**) in accordance with the provisions of the Claims Process.
29. On May 3, 2022, the FHH Liquidator distributed \$490,423.28 of the funds in its hands to the Proven Creditors, as provided for in the Discharge Order. A copy of the initial distribution (the **"Initial Distribution Listing"**) is attached as **Appendix "H"**.

30. Following the distribution of the Funds, the FHH Liquidator was subsequently advised by one of the creditors that its claim had in fact been over-valued, and that its actual claim was less than that stated in the Proven Claims Listing referred to above.
31. The distribution to this creditor was cancelled and a revised distribution listing was prepared (the “**Final Distribution Listing**”). On May 22, 2022, the FHH Liquidator then paid the revised amount of the creditor’s claim as well as the remaining amounts now due to Proven Creditors so that a total of \$443,012.14 was distributed to Proven Creditors representing full payment of their claims. Attached as **Appendix “I”** is a copy of the Final Distribution Listing.
32. As a result of the above, the FHH Liquidator is now in possession of additional funds totalling \$47,403.81 having paid all of the outstanding creditor claims against FHH.
33. In the normal case, the Liquidator would repay the said funds to FHH; however, in accordance with the provisions of the Discharge Order, FHH has now been dissolved.
34. The FHH Liquidator therefore proposes to pay the Remaining Funds, on a pro rata basis, to the common shareholders of FHH, as being the persons to whom the Remaining Funds are owing.
35. The Liquidator has been provided with copies of the FHH Shareholder Registers by the Companies’ former counsel and has been able to determine the identity of the common shareholders of FHH from the FHH Shareholder Registers. However, the FHH Shareholder Registers do not contain any entries beyond March 15, 2019 and the Liquidator is therefore not aware as to whether the FHH Shareholder Registers, and the information contained in them, are up to date. A copy of the FHH Shareholder Registers is attached as **Appendix “J”**.
36. The FHH Liquidator proposes to contact the common shareholders listed in the FHH Shareholder Registers, as well as any other potential common shareholders of FHH the FHH Liquidator may learn about or identify and have them verify their shareholdings by way of completion of a Statutory Declaration. A copy of a template Statutory Declaration is attached as **Appendix “K”**.

37. The potential common shareholders will be given until July 30, 2022 to respond to this notification. Subject to their doing so, the FHH Liquidator thereafter proposes to distribute the Remaining Funds, net of any additional professional fees, to the said shareholders, pro rata, and thereby complete the administration of FHH.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

42. Attached hereto as **Appendix “L”** is the updated Liquidator’s Statement of Receipts and Disbursements (the “**R&D Statement**”) for the period from May 14, 2020 to June 8, 2022, which reflects receipts over disbursements of approximately \$47,404. The R&D Statement details individual receipt and disbursement line items.

PROFESSIONAL FEES AND DISBURSEMENTS

FHH Liquidator’s Fees and Disbursements

43. The FHH Liquidator’s accounts up to February 14, 2022 including the estimated fees, disbursements and applicable taxes to the completion of these proceedings to a maximum of \$20,000 were last approved by the Court on March 2, 2022. Since that time, the FHH Liquidator issued one additional invoice totaling \$29,380.00, inclusive of HST, that represents the fee estimate to complete the administration of the Estate approved by the Court on March 2, 2022 and the additional fees of approximately \$6,000 being incurred to complete the distribution of the Remaining Funds. Attached as **Appendix “M”** is the affidavit of Jerry Henechowicz sworn June 14, 2022, describing the aforementioned fees and disbursements of the FHH Liquidator.
44. All of MNP’s fees and disbursements were properly incurred and are properly chargeable to the Estate.

Legal Fees and Disbursements

45. Blaney has acted as independent legal counsel to the FHH Liquidator since its appointment. Blaney’s accounts were last approved by this Court on March 2, 2021. Since that time, Blaney has issued three accounts totaling \$22,956.64, inclusive of fees, disbursements and

HST (the “**Blaney Accounts**”). Attached as **Appendix “N”** is the affidavit of Lou Brzezinski, sworn June 14, 2022, describing the aforementioned fees and disbursements of Blaney and attaching copies of the Blaney Accounts.

46. In addition, Blaney estimates that its fees, disbursements and applicable HST to the completion of the administration of this proceeding will not exceed \$2,500.
47. In the FHH Liquidator’s opinion, the fees and disbursements of Blaney, and the activities described in the dockets in support of the Blaney accounts, are fair and reasonable, were fully justified in the circumstances, and accurately reflect the work performed by Blaney on behalf of the FHH Liquidator.

DISCHARGE OF THE FHH LIQUIDATOR

48. Once it has completed the distribution of the Remaining Funds to shareholders, net of any additional professional fees, other than a few minor administrative matters, the FHH Liquidator’s administration of FHH will be complete and the FHH Liquidator will be discharged in accordance with the Discharge Order previously granted by this Court.

RECOMMENDATIONS

49. For the reasons enumerated above, the FHH Liquidator respectfully recommends that the Court approve the proposed activities of the FHH Liquidator, as set out and described above, and grant the relief set out in the FHH Liquidator’s Notice of Motion dated June 14, 2022.

All of which is respectfully submitted this 14th day of June 2022.

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:

A handwritten signature in blue ink, appearing to read "Jerry Henechowicz".

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

TAB A

Court File No.

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

THE HONOURABLE MR.
JUSTICE HAINEY

)
)
)

THURSDAY, THE 21st 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
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 by judicial videoconference via ZOOM at Toronto, Ontario due to the COVID-19 crisis.

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.~~

GH
MAY 21, 2020. THE ORDER DOES NOT HAVE TO BE ENTERED.

Hailey J.

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 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)

Email: leorne@dickinsonwright.com

Tel: (416) 646-4608

Fax: (416) 865-1398

Lawyers for the Applicants

TAB B

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

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

THE HONOURABLE MR.	)	THURSDAY, THE 6 TH DAY
)	
JUSTICE HAINEY	)	AUGUST, 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

O R D E R

THIS MOTION made by MNP Ltd., in its capacity as court appointed liquidator 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. (and together with Ernst & Young Inc., in its capacity as court-appointed liquidator of Pace Securities Corp., Pace Financial Limited, Pace Insurance Brokers Limited and Pace General Partner Limited in Ontario Superior Court of Justice (Commercial List) file No.CV-2000641059-00CL, the “**Court Appointed Liquidators**”), for an order appointing Paliare Roland Rosenberg Rothstein LLP

- 2 -

(“**Paliare Roland**”) as representative counsel for the investors described in Schedule “A” hereto (the “**Investor Claimants**”) in this proceeding was heard this day via videoconference at Toronto, Ontario,

ON READING the Motion Records of the Court Appointed Liquidators, and on hearing the submissions of counsel for the Court Appointed Liquidators, Pace Savings & Credit Union Ltd. (the “**Credit Union**”), Surinder Sawrup, Aman Sawrup, and Saira Ahmad and Laurentian Bank Securities (“**LBS**”), such other counsel as were present; no one else appearing although duly served, as appears from the Affidavit of Service of Anna Miele, sworn August 4, 2020,

1. **THIS COURT ORDERS** that the timing and method of service and filing of this motion is hereby abridged and validated such that the motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that Paliare Roland be and is hereby appointed to represent the Investor Claimants in this proceeding (the “**Representative Counsel**”), in respect of their Investor Claims (as defined in Schedule “A”) provided that the scope of that representation may be amended at the request of Representative Counsel, following consultation with the Court Appointed Liquidators, upon further motion to this Court on notice to the Court Appointed Liquidators, the Credit Union and such others as this Court may direct.
3. **THIS COURT ORDERS** that Representative Counsel shall represent the interests of the Investor Claimants without any obligation to consult with or seek instructions from individual Investor Claimants, provided however, that Representative Counsel, acting in consultation with the Court Appointed Liquidators, shall establish a committee of Investors (the “**Representative**

Committee") on such terms as may be agreed to by the Court Appointed Liquidators or established by further order of this Court.

4. **THIS COURT ORDERS** that, subject to the exclusive right of the Credit Union to present a settlement proposal as set out in paragraph 14 hereof, Representative Counsel be and is hereby permitted, but not directed, to take and to perform, for and on behalf of the Investor Claimants, all steps and all acts necessary or desirable to represent the interests of the Investor Claimants in these proceedings ("**Representative Counsel Mandate**") including, without limitation:

- (a) developing a process, in consultation with the Court Appointed Liquidators, for the investigation, identification, advancement and resolution of valid and provable Investor Claims;
- (b) 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;
- (c) reporting to and responding to inquiries from the members of the Representative Committee and individual Investor Claimants; and
- (d) performing such other actions as approved by this Court.

5. **THIS COURT ORDERS** that the Court Appointed Liquidators shall forthwith provide to the Representative Counsel, subject to mutually satisfactory confidentiality arrangements, or by further order of this Court, without charge, the following information, documents and data in their possession (the "**Information**") to be used only for the purpose of the Representative Counsel Mandate:

- 4 -

- (a) the names, last known addresses and last known telephone numbers and e-mail addresses, and other contact information of the Investor Claimants; and
- (b) upon request of the Representative Counsel, such documents and data as may be reasonably relevant to issues affecting the Investor Claimants, subject to the agreement of the Court Appointed Liquidators or further order of this Court.

6. **THIS COURT ORDERS** that, within 10 days of the making of this order, Representative Counsel shall provide notice of this order to each of the Investor Claimants through a communication in form and content satisfactory to Representative Counsel, the Court Appointed Liquidators and the Credit Union, or as may be further directed by this Court (the "Notice"), to be delivered in the following manner:

- (a) publication on the website maintained by the Court Appointed Liquidators in connection with these proceedings;
- (b) publication of the Notice in the Globe and Mail within 10 calendar days of the making of this order;
- (c) by regular mail sent to the last known address of each Investor Claimant; and
- (d) where possible, by email sent to the last known email address of the Investor Claimant.

and such Notice shall be deemed to be effective on the later of the date of publication or the date the Notice was sent, as applicable.

7. **THIS COURT ORDERS** that an Investor Claimant who prefers not to take the benefit of Representative Counsel may opt out of such representation by completing the Opt- Out Notice in the form of Schedule B to this order (the “**Opt-Out Notice**”) and delivering it to Representative Counsel by email to the address indicated on the Opt- Out Notice such that it is received by no later than 11:59 p.m. (Eastern Daylight Time) on September 16, 2020, and Representative Counsel shall provide a copy of all Opt- Out Notices that it receives to each of the Court Appointed Liquidators.

8. **THIS COURT ORDERS** that an Investor Claimant who delivers an Opt-Out Notice (a “**Self-Represented Investor Claimant**”) shall not have the benefit of Representative Counsel, and Representative Counsel shall have no obligation to report to, respond to inquiries from, or otherwise take any account of the interests of any Self- Represented Investor Claimant For greater certainty, nothing in this order obliges any party to deal with any Self-Represented Investor Claimant or precludes the compromise of the claims of a Self-Represented Investor Claimant in the ordinary course, by operation of applicable law.

9. **THIS COURT ORDERS** that the fees and expenses of Representative Counsel shall be paid out of the funds recovered for the Investor Claimants (if any) 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.

10. **THIS COURT ORDERS** that Representative Counsel and members of the Representative Committee shall not be liable for any act or omission in respect of their appointment or fulfillment

- 6 -

of their duties in respect of the provisions of this Order, other than for gross negligence or wilful misconduct. No action or other proceedings shall be commenced against Representative Counsel or members of the Representative Committee in respect of alleged gross negligence or willful misconduct, except with prior leave of this Court on at least 21 days' notice to Representative Counsel and upon further order in respect of security for costs of the Representative Counsel and the members of the Representative Committee in connection with any such action or proceeding, to be given by the plaintiff on a substantial indemnity basis.

11. **THIS COURT ORDERS** that "**Tolled Claims**" shall mean any and all actions, suits, claims, causes of action, demands, or grievances, whether in Canada or elsewhere, whether known or unknown, which an Investor Claimant may bring against any of the Applicants, or any related persons or entities, including the Credit Union, or against LBS, or any of its related entities, in respect of the Preference Shares (as defined in Schedule A), but shall not include proceedings of the kind described in s. 11.1(2) of the *Companies' Creditors Arrangement Act*.

12. **THIS COURT ORDERS** that until Representative Counsel has completed the Representative Counsel Mandate or until this Court otherwise directs (the "**Stay Period**"), no proceeding or enforcement process in respect of Tolled Claims (each, a "**Proceeding**") shall be commenced or continued in any Court or tribunal against or in respect of the Applicants, or any of their related entities, including the Credit Union, or against or in respect of LBS, or any of its related entities, except with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or their related entities, including the Credit Union, or against or in respect of LBS, or any of its related entities, are hereby stayed and suspended pending further Order of this Court.

13. **THIS COURT ORDERS** that to the extent that any statute of limitations or other notice or limitation period (or any other time period of similar effect) whether statutory, equitable, contractual or otherwise, under Canadian law, or any other applicable law, (a “**Limitation Period**”) in connection with a Tolled Claim expires on or after the date of this Order (the “**Effective Date**”) such Limitation Period shall be and is hereby tolled such that it ceases to continue running as of the Effective Date and, for greater certainty, that all time elapsing on or after the Effective Date shall not be counted in determining any such Limitation Period.

14. **THIS COURT ORDERS** that until October 15, 2020 or such later date as may be agreed by Representative Counsel and the Court Appointed Liquidators or ordered by this Court (the “**Exclusivity Period**”), the Credit Union shall have the exclusive authority to seek, design and present a settlement and/or settlement package in respect of direct and indirect Investor Claims (including Claims Over and Third Party Claims) against the Credit Union and/or its officers and directors in respect of the Preference Shares, for consideration by Representative Counsel and the Court Appointed Liquidators.

15. **THIS COURT ORDERS** that Representative Counsel may move before this Court to terminate their appointment, or for advice and directions in respect of their appointment or the fulfillment of their duties in carrying out the provisions of this Order, and notice of such motion shall be given to the Applicants, the Court Appointed Liquidators, and other interested persons, provided that this court retains its jurisdiction to dispense with such notice where appropriate.



- 8 -

SCHEDULE "A"

DEFINITION OF INVESTOR CLAIMANTS

"Investor Claimants" means all individuals (including their respective successors, heirs, assigns, litigation guardians and designated representatives under applicable provincial family law legislation) who assert or may be entitled to assert a claim or cause of action as against one or more of the Applicants and any related persons or organizations (collectively **"Defendants"**) in respect of:

- (i) the purchase PACE Financial Limited's Series A 5% Cumulative Redeemable Retractable Non-voting Term Preference Shares; and
- (ii) the purchase of equivalent investments in FHH as well as FHH warrants (collectively, with (i) the **"Preference Shares"**)

in Canada, or anywhere else in the world, including without limitation claims for contribution or indemnity, personal injury or tort damage, restitutionary recovery, non-pecuniary damages, pure economic loss, or claims for recovery grounded in Ontario Securities legislation (the **"Investor Claims"**).

The Investor Claimants shall exclude all Defendants, insiders or securities brokers involved in the sale of the Preference Shares.

- 9 -

SCHEDULE "B"
OPT-OUT LETTER

TO: PaceInvestorClaimantOptOut@paliareroland.com

**RE: CLAIMS AGAINST PACE SECURITIES CORP.,
PACE FINANCIAL LIMITED, FIRST HAMILTON HOLDINGS INC., et al.**

My Name is: _____

My Telephone Number is: _____

My email address is: _____

I am an Investor Claimant as defined in the Representation Order of Mr. Justice Hainey dated August 6, 2020 (the "**Order**").

In accordance with paragraph _____ of the Order, I am hereby notifying you that I prefer not to take the benefit of Representative Counsel as defined in the Order.

I acknowledge that as a result of my having delivered this notice, Representative Counsel shall have no obligation to report to me, to respond to inquiries from me, or otherwise take any account of my interests.

I also acknowledge that nothing in the Order: (a) obliges any party to deal with me or my claims by virtue of my having delivered this notice; or, (b) precludes the compromise of my claims in the ordinary course, by operation of applicable law.

Date: _____

Signature of Witness

Name:

Address:

Telephone Number:

Signature of Investor Claimant

**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.**

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

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

PROCEEDING COMMENCED AT TORONTO

ORDER

(Appointment of Representative Counsel)

BLANEY McMURTRY LLP
2 Queen Street East
Suite 1500
Toronto, ON M5C 3G5

Mervyn D. Abramowitz (LSO #28325R)
Tel: (416) 597-4887
mabramowitz@blaney.com

Lawyers for the Applicants, MNP Ltd., in its capacity as
Court-Appointed Liquidator of
First Hamilton Holdings Inc.,
First Hamilton Financial Services.,
First Hamilton Capital Inc.,
First Hamilton General Partner 2 Inc., and
First Hamilton Mortgage Brokers Inc.

TAB C

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 2 nd
)	
JUSTICE KOEHNEN	)	DAY OF MARCH, 2021

B E T W E E N:

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

ORDER

THIS MOTION, made by 7903197 CANADA INC. was heard this day at 330 University Avenue, 9th Floor, Toronto, Ontario M5G 1R7.

ON READING the Motion Record of 7903197 Canada Inc. and on hearing the submissions of the lawyers for the parties,

-2-

1. **THIS COURT ORDERS THAT** the motion of 7903197 Canada Inc. is properly returnable on today's date, March 2, 2021.

2. **THIS COURT ORDERS THAT** the Order of Justice Hainey dated August 6, 2020 in the herein proceeding (the "Representative Counsel Order") is amended to include the purchase of Pace Capital Partners Series A Limited Partnership Units by 7903197 Canada Inc. (the "PCP Units") within the definition of Preference Shares contained in Schedule "A" of the Representative Counsel Order and that such amendment is effective as if it has been contained within the original Representative Counsel Order, provided that the obligations of Representative Counsel to 7903197 Canada Inc. in respect of the PCP Units shall have effect only from the date of this order.



IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B. 16, AS AMENDED
FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST
HAMILTON GENERAL PARTNER2 INC. and FIRST HAMILTON MORTGAGE BROKERS INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

DALE & LESSMANN LLP

181 University Avenue, Suite 2100
Toronto ON M5H 3M7

Tel: 416-863-1010

Fax: 416-863-1009

Geoffrey Janoscik (#55249K)

Tel: 416-369-7823

Fax: 416-863-1009

gjanoscik@dalelessmann.com

Lawyers for 7903197 Canada Inc.

TAB D

Court File No. CV-20-00641059-00CL

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

THE HONOURABLE	)	FRIDAY, THE
)	
JUSTICE KOEHNEN	)	30 th DAY OF JULY, 2021

**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
PACE SECURITIES CORP., PACE FINANCIAL LIMITED,
PACE INSURANCE BROKERS LIMITED AND
PACE GENERAL PARTNER LIMITED**

Applicants

SETTLEMENT APPROVAL ORDER

THIS MOTION made by Paliare Roland Rosenberg Rothstein LLP in its capacity as representative counsel for the Investor Claimants (as defined in the order made in these proceedings dated August 6, 2020 appointing representative counsel ("**Representative Counsel**")), for an order approving the settlement of certain of the Investor Claimants' claims in respect of their acquisition of preferred shares of PACE Financial Limited ("**PFL**") and First Hamilton Holdings Inc. ("**FHH**") (together, with the claims of 7903197 Canada Inc. in respect of its purchase of Pace Capital Partners Series A Limited Partnership Units ("**PCP Units**"), the "**Investor Claims**"), was heard this day via Zoom conference at Toronto, Ontario.

ON READING the motion record and supplementary motion record of Representative Counsel, the Liquidator's Report, and on hearing the submissions of Representative Counsel, counsel for PACE Savings and Credit Union (the "**Credit Union**"), the Liquidators and certain Settling Parties, no one else appearing although duly served and given notice as required by the order of Justice Conway dated July 8, 2021 respecting the form of notice for the settlement approval hearing:

Sufficiency of Service and Definitions

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the capitalized terms not otherwise defined in this order shall have the meanings given to them in Schedule "A".
3. **THIS COURT FINDS** that all applicable parties have adhered to, and acted in accordance with the order of this Court dated July 8, 2021, in respect of the notice of this Motion (the "**Notice Order**") and that the procedures provided for in the Notice Order have provided good and sufficient notice of the hearing of this Motion, and that all persons shall be and are hereby barred from objecting to the settlement contemplated by the term sheet dated June 24, 2021 (the "**Settlement**") marked as Schedule "B" to this order.

Approval of the Settlement

4. **THIS COURT ORDERS** that the Settlement be and hereby is approved and will be implemented in accordance with its terms and this order and any further orders of this Court.

5. **THIS COURT ORDERS AND DECLARES** that, without in any way affecting the finality of this order, this Court reserves exclusive and continuing jurisdiction over the Investor Claimants, Representative Counsel and the Settling Parties for the purpose of implementing the Settlement and enforcing and administering the Settlement and this order.

Settlement Implementation

6. **THIS COURT ORDERS AND DIRECTS** the Settling Parties to pay, in the proportions contemplated by the Settlement, the total amount of \$40 million (the “**Settlement Amount**”) to Representative Counsel, in trust, no later than 60 calendar days from: (a) the day on which the period for appealing this order expires without an appeal having been brought; or (b) in the event of an appeal, the day of the final disposition of any such appeal.

7. **THIS COURT ORDERS AND DECLARES** that on payment of the Settlement Amount in full (the “**Settlement Implementation Date**”), the Settlement and all associated steps, releases, discharges, cancellations, transactions and arrangements effected thereby are approved and shall be deemed to be implemented, binding and effective in accordance with the terms of the Settlement Agreement, and shall enure to

the benefit of and be binding upon the Investor Claimants, the Settling Parties and all other persons and parties named or referred to in, affected by, or subject to the Settlement Agreement, including, without limitation, their respective heirs, administrators, executors, legal representatives, successors and assigns.

8. **THIS COURT ORDERS** that each of Representative Counsel, the Settling Parties and the Liquidator are authorized and directed to have taken and to take all steps and actions, and to have done and to do all things, necessary or appropriate to the genesis and implementation of the Settlement, on and in accordance with its terms, and to enter into, execute, deliver, complete, implement and consummate all of the steps, transactions, distributions, deliveries, allocations, instruments and agreements contemplated pursuant to the Settlement, and any such steps and actions, whether already taken or to be taken, are hereby authorized, ratified and approved, and neither Representative Counsel nor the Liquidator shall incur any liability as a result of acting in accordance with the terms of the Settlement.

9. **THIS COURT ORDERS** that Representative Counsel, the Settling Parties and the Liquidators and any other person required to make any payments, distributions, deliveries allocations, steps or other actions pursuant to the Settlement are hereby directed to complete such actions in accordance with the terms of the Settlement, and such actions are hereby approved.

10. **THIS COURT ORDERS** that each Investor Claimant is hereby deemed to have consented to all of the provisions of the Settlement, in its entirety, and as of the Settlement Implementation Date each Investor Claimant is hereby deemed to have executed and

delivered to the Settling Parties all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out the Settlement.

11. **THIS COURTS ORDERS** that, notwithstanding any bankruptcy, receivership or other insolvency proceeding now or hereafter issued pursuant to the *BIA*, the *CCAA* or otherwise in respect of any of the Settling Parties, including, without limitation, PFL or FHH, the Settlement Agreement shall be binding on any trustee in bankruptcy or receiver that may be appointed and shall not be void or voidable, nor shall the Settlement, the payments and distributions contemplated pursuant thereto, or any prior payments to Investor Claimants in respect of the Preferred Shares or PCP Units (the “**Prior Payments**”) constitute nor be deemed to constitute a fraudulent preference, a fraudulent assignment, a fraudulent conveyance, a transfer at undervalue, or other reviewable transaction or otherwise subject to review under the *BIA*, *CCAA* or any other applicable federal or provincial legislation, nor shall the Settlement Agreement or Prior Payments constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

12. **THIS COURT ORDERS** that it may issue such further and ancillary orders, from time to time, as are necessary to implement and enforce the provisions of the Settlement and this order.

Releases and Bar Orders

13. **THIS COURT ORDERS** that on the Settlement Implementation Date all claims by the Investor Claimants against the Settling Parties arising from the purchase, sale, distribution and payments made in respect of the Preferred Shares and/or PCP Units shall

be fully finally, irrevocably and forever compromised, released, discharged, cancelled and barred (the “**Released Claims**”) pursuant to and in accordance with the Settlement.

14. **THIS COURT ORDERS** that on the Settlement Implementation Date, the ability of any Investor Claimant to proceed against the Settling Parties in respect of any Released Claims shall be forever discharged, barred and restrained, and all proceedings with respect to, in connection with, or relating to any such matter shall be permanently stayed, pursuant to and in accordance with the Settlement.

15. **THIS COURT ORDERS** that on the Settlement Implementation Date the Investor Claimants’ recovery from any person who is not one of the Settling Parties (the “**Non-Settling Defendant(s)**”) and with which the Settling Parties are judicially determined to be jointly and severally liable to the Investor Claimants for damages, shall be reduced (in aggregate) by the amount of funds ultimately received by the Investor Claimants in respect of a Released Claim pursuant to the Settlement Agreement, as determined by the Court, and the Investor Claimants shall thereafter be permitted to claim and recover from the Non-Settling Defendants only that proportion of damages attributable to the liability of the Non-Settling Defendants, as determined by the Court.



Koehnen J.

SCHEDULE “A”**DEFINED TERMS**

“**Applicants**” means First Hamilton Holdings Inc., First Hamilton Financial Services Inc., First Hamilton Capital Inc., First Hamilton General Partner 2 Inc., First Hamilton Mortgage Brokers Inc., PACE Securities Corp., PACE Financial Limited, PACE Insurance Brokers Limited and PACE General Partner Limited;

“**Defendants**” means the Applicants and any related persons or organizations;

“**Individual Insureds**” means Joseph Thomson, Gerald McRae, Andre Sian, Ernest Eves, Timothy Huxley, Michael Leskovec, Grant Walsh and Larry Smith;

“**Insured Organizations**” means PACE Securities Corporation, First Hamilton Holdings Inc. and PACE Financial Limited;

“**Investment Advisors**” means Ariel Simms; and, Patrick Carson, Gyulmet Ramazanov, Thomas D. Moxam, Pat Cilla, Thomas Ogilwy, and Margaret Pakula;

“**Investor Claim**” means a claim or cause of action as against one or more of the Defendants in respect of the purchase of Preference Shares in Canada, or anywhere else in the world, including, without limitation, claims for contribution or indemnity, personal injury or tort damage, restitutionary recovery, nonpecuniary damages, pure economic loss, or claims for recovery grounded in Ontario Securities legislation, and, the claims of 7003197 Canada Inc. in respect of its purchase of Pace Capital Partners Series A Limited Partnership Units;

“**Investor Claimants**” means all individuals and entities (including their respective successors, heirs, assigns, litigation guardians and designated representatives under applicable provincial family law legislation) who assert or may be entitled to assert an Investor Claim, excluding all Defendants, insiders or securities brokers involved in the sale of the Preference Shares.

“**Liquidators**” means (a) Ernst & Young Inc., in its capacity as Court-Appointed Liquidator of the estate and effects of Pace Securities Corp., Pace Financial Limited, Pace Insurance Brokers Limited and Pace General Partner Limited, and (b) MNP Ltd., in its capacity as Court-Appointed Liquidator of the estate and effects 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.;

“**Preference Shares**” means PACE Financial Limited Series A 5% cumulative non-voting term preference shares, First Hamilton Holdings Limited Series A 7% cumulative non-voting preference shares and First Hamilton Holdings Limited Series B 5% cumulative redeemable retractable non-voting preference shares, including warrants in respect of the foregoing.

“Representative Counsel” means Paliare Roland Rosenberg Rothstein LLP in its capacity as counsel for the Investor Claimants;

“Settling Parties” means PACE Savings & Credit Union Limited; the Insured Organizations; the Insured Individuals; AIG Insurance Company of Canada in its capacity as insurer for the Insured Organizations and the Insured Individuals; the Investment Advisors; and, AXIS Reinsurance Company (Canadian Branch) and Liberty Mutual in their capacity as insurers for the Investments Advisors;

“Settlement” means the agreement of compromise evidenced by the Term Sheet dated June 24, 2021, between Representative Counsel, the Settling Parties and the Liquidators to resolve all or substantially all of the Investor Claims.

Court File No. CV-20-00641372-00CL
Court File No. CV-20-00641059-00CL**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****AND IN THE MATTER OF A WINDING UP OF A PACE SECURITIES CORP., PACE
FINANCIAL LIMITED, PACE INSURANCE BROKERS LIMITED AND PACE GENERAL
PARTNER LIMITED****SETTLEMENT TERM SHEET¹**

1. In consideration of the full and final settlement of their claims in respect of the purchase, sale and distribution of preferred shares of Pace Financial Limited (“PFL”) and First Hamilton Holdings Inc. (“FHH”) and the claim of 7903197 Canada Inc. in respect of the purchase, sale and distribution of units of Pace Capital Partners LP (“PCP”), and subject to the terms and conditions set forth herein, a global payment, inclusive of costs, taxes and disbursements, in the amount of \$40,000,000, shall be made to the Investor Claimants² as follows (the “Settlement”):
 - a. By PACE Savings & Credit Union Limited (“PACE Credit Union”), \$ _____ ;
 - b. By AIG Insurance Company of Canada, on behalf of the Individual Insureds and Insured Organizations (“AIG”), \$ _____ ; and,
 - c. By the PSC Investment Advisors’ insurers as defined below, \$ _____ (together with PACE Credit Union, AIG, Individual Insureds, Insured Organizations and PSC Investment Advisors, the “Settling Parties”).
2. The Settlement is subject to an order of the court in respect of these proceedings approving and implementing the Settlement, including an order barring and enjoining the claims of all persons in respect of the purchase, sale, distribution and payments made in respect of preferred shares of PFL and FHH, and the claim of 7903197 Canada Inc. in respect of the purchase, sale, distribution

¹ Unless otherwise defined herein, capitalized terms have the meaning identified in the Claims Brief and the Coverage Letters provided by AIG and produced pursuant to this mediation.

² For the avoidance of doubt, “Investor Claimants” has the meaning attributed to it by the court orders made in these proceedings dated August 6, 2020, as amended March 2, 2021, appointing representative counsel, and the Investor Claimants shall act through their court-appointed representative, Paliare Roland Rosenberg Rothstein LLP (“Representative Counsel”).

and payments made in respect of units of PCP. The settlement approval motion shall be brought forward by the Investor Claimants, using their best efforts. The Settling Parties shall be at liberty to adduce supportive evidence if they so choose, on reasonable notice to other Settling Parties with opportunity to object or seek confidentiality terms. The Settling Parties shall consent to a settlement approval order in form satisfactory to counsel for all parties and the Liquidators, including in respect of all available litigation bar orders and releases, including in respect of the conduct of Representative Counsel and their agents and advisors, including the members of their advisory committee.

3. Within 60 days of settlement approval, the Settling Parties shall pay the amounts set out in paragraph one above to Paliare Roland Rosenberg Rothstein LLP, in trust, for future allocation and distribution to the Investor Claimants in accordance with a subsequent order of the court in these proceedings, obtained on motion brought by Representative Counsel. The Settling Parties acknowledge that they will not oppose the allocation and distribution motion.
4. Upon receipt of payment of the amounts set out in paragraph one, the Investor Claimants will deliver, a full, unconditional and binding release of the Settling Parties and a corresponding bar order, in respect of claims arising from the purchase, sale and distribution of preferred shares of PFL and FHH, or units of PCP, by all Investor Claimants, all in a form satisfactory to the Settling Parties, Ernst & Young Inc., MNP Ltd., and the Investor Claimants, acting reasonably.
5. Upon receipt of the release referred to in paragraph four above, full and final releases in a form satisfactory to all Settling Parties shall be exchanged by all Settling Parties (which includes the Individual Insureds and Insured Organizations) which releases shall include protection from any future claims against each or any of them for contribution and indemnity or otherwise from any other parties, including PCP investors. PACE Credit Union will release Larry Smith solely from any liability arising from an allegation that he is an officer or director of PACE Securities Corp. and will strike any allegation that Larry Smith was a director or officer of PACE Securities Corp. in the action bearing Court File No. CV-19-00633165-00CL (the "Credit Union Action"). For greater clarity, PACE Credit Union does not release Larry Smith from any allegations that remain in the Credit Union Action, and entry into this settlement by Larry Smith as an Individual Insured will be without prejudice to any defence that he might raise in the Credit Union Action.
6. PACE Credit Union agrees that, in the Credit Union Action, with respect to its contribution to the Settlement and fees and expenses to respond to the Investor Claimants' claims, it will claim only the damages, costs, taxes, disbursements and interest that are attributable to the combined several share of liability of Larry Smith, Phillip Smith, Frank Klees, Brent Bailey, Deborah Baker, Ian Goodfellow, Al Jones, Wendy Mitchell, George Pohle, Peter Rebellati, Jim Tindall, Pauline Wainwright, Neil Williamson, Ken Topping and Stan Dimakos (the "Existing Defendants"), such that PACE Credit Union's recovery with respect to the matters settled in this mediation shall be limited to the damages, costs, taxes, disbursements and interest attributable to the combined several liability proven against the Existing Defendants at trial according to their combined proportionate degree of fault. For greater certainty, PACE Credit Union does not claim against the Existing Defendants any damages, costs, taxes, disbursements and interest that may be severally attributable to the Settling Defendants with respect to matters settled in this mediation, and agrees to indemnify the Settling Defendants for any damages, costs, taxes, disbursements and interest that they may incur in responding to the Credit Union Action.
7. Consents and releases in a form satisfactory to AIG, the Individual Insureds, and the Settling Investment Advisors including the PSC Settling Investment Advisors' insurers (Axis and Liberty

Mutual) shall be exchanged, and with the consent of the Liquidators on behalf of Insured Organizations.


8. Investor Claimants, Representative Counsel and Settling Parties having knowledge of the identity of the contributors to the Settlement will not disclose that information in any public communications, including any news releases, or any communications directly to any third parties including PACE Credit Union customers who are not Investor Claimants, without explicit written authorization from the parties to be disclosed, subject to communications with legal or financial advisors and/or legal and financial disclosure obligations. In the event of a breach of this obligation by an individual Investor Claimant or Settling Party this Settlement shall remain in full force and effect, and any right of recourse by the affected Settling Parties will be limited to a claim for a remedy against the breaching Investor Claimant party.
9. For the avoidance of doubt, pending the bringing of the motion to approve and implement the Settlement, the duty of confidentiality applicable to the mediation before Mr. Joel Wiensfeld shall continue to apply to the Settlement, but the Settling Parties agree that Representative Counsel and/or the Liquidators may, to the extent necessary, disclose the fact of the settlement in correspondence with the court for the purpose of scheduling the aforementioned motion.
10. The PSC Liquidator shall consent (and so shall any other Settling Party and the Investor Claimants if such consent is required) to the release of all funds held at Laurentian Bank in the accounts of J. Thomson and G. McRae, those accounts being:
 - a. Joe Thomson –
 - b. Gerald McRae –
11. The Investor Claimants and the Settling Parties other than PACE Credit Union and Andre Sian release all claims to the remaining assets of First Hamilton Holdings Inc., First Hamilton Financial Services Inc., First Hamilton Capital Inc., First Hamilton General Partner 2 Inc., First Hamilton Mortgage Brokers, Pace Securities Corp., Pace Financial Limited, Pace Insurance Brokers Limited and Pace General Partner Limited.
12. The Investor Claimants shall provide their written support for the resolution of any and all regulatory matters associated with the purchase, sale, and distribution of preferred shares of PFL and FHH or the operations of those companies to counsel for any of the Settling Parties who request such support, provided that the support shall be in form and content satisfactory to Representative Counsel, acting reasonably.
13. The costs of the court-ordered mediation conducted by Joel Wiesenfeld with respect to this matter shall be split equally between PCU and AIG.
14. Together with the settlement approval motion or thereafter, counsel for the Investor Claimants shall bring a motion to approve counsel fees and disbursements. The Settling Parties will not oppose the motion by counsel for the Investor Claimants for approval of counsel fees and disbursements.
15. The final settlement approval is to be heard and achieved by July 31, 2021, or such later date as Representative Counsel and the Settling Parties may agree, subject to the availability of the Court to hear the motion by that date.

16. The Investor Claimants and the Settling Parties shall do all things and provide such assurances and consents as reasonably necessary to give effect to the settlement contemplated herein in a timely way.
17. The parties intend that this Settlement Term Sheet is a binding settlement of this action, subject to Court approval. If any disputes arise in preparing the Settlement Agreement, such disputes will be mediated by Joel Wiesenfeld.
18. The Settlement is subject to the law of Ontario and the laws of Canada applicable therein.
19. The Settlement becomes effective at 5 pm Eastern on June 24, 2021 and may be withdrawn, by email sent to Joel Wiesenfeld prior to that time.
20. This Settlement Term Sheet may be signed electronically and in counterparts.

Dated as of June 24, 2021.



Investor Claimants, by Paliare Roland Rosenberg Rothstein LLP pursuant to the orders herein dated August 6, 2020, as amended by orders dated March 2, 2021.



AIG Canada, in its capacity as insurer for PACE Securities Corporation, PACE Financial Limited, First Hamilton Holdings Inc., Joseph Thomson, Gerald McRae, Andre Sian, Ernest Eves, Timothy Huxley, Michael Leskovec, Grant Walsh and Larry Smith




PACE Savings & Credit Union Limited, by its Administrator Financial Services Regulatory Authority of Ontario

Digitally signed by Soloman Lam
Date: 2021.06.24 17:33:11 -04'00'

AIG Canada, in its capacity as insurer for PACE Securities Corporation, PACE Financial Limited, First Hamilton Holdings Inc., Joseph Thomson, Gerald McRae, Andre Sian, Ernest Eves, Timothy Huxley, Michael Leskovec, Grant Walsh and Larry Smith

PSC Investment Advisor Ariel Simms, by
his lawyer Barry Papazian

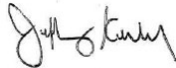


PSC Investment Advisors Patrick Carson,
Gyulmet Ramazanov, Thomas D. Moxam, Pat
Cilla, Thomas Ogilwy, Margaret Pakula, by their
lawyer, Natalie Leon

Barry B. Papazian

PSC Investment Advisor Ariel Simms, by
his lawyer Barry Papazian

PSC Investment Advisors Patrick Carson,
Gyulmet Ramazanov, Thomas D. Moxam, Pat
Cilla, Thomas Ogilwy, Margaret Pakula, by their
lawyer, Natalie Leon

<p>Ernst & Young Inc., in its capacity as Court-Appointed Liquidator of the estate and effects of Pace Securities Corp., Pace Financial Limited, Pace Insurance Brokers Limited and Pace General Partner Limited, and not in its personal or corporate capacities</p> <p>Per:</p>  <p>Jeffrey D. Kerbel Senior Vice-President</p>	<p>MNP, in its capacity as Court-Appointed Liquidator of the estate and effects 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</p> <p>Per:</p> <p>Jerry Henechowicz, CPA, CA, CIRP, LIT Senior Vice President</p>
--	---

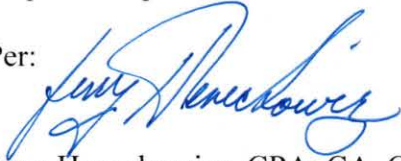
Ernst & Young Inc., in its capacity as Court-Appointed Liquidator of the estate and effects of Pace Securities Corp., Pace Financial Limited, Pace Insurance Brokers Limited and Pace General Partner Limited, and not in its personal or corporate capacities

Per:

Jeffrey D. Kerbel
Senior Vice-President

MNP, in its capacity as Court-Appointed Liquidator of the estate and effects 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

IN THE MATTER OF A WINDING UP OF PACE SECURITIES CORP., PACE FINANCIAL LIMITED, PACE INSURANCE BROKERS LIMITED AND PACE GENERAL PARTNER LIMITED**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**PROCEEDING COMMENCED AT
TORONTO**SETTLEMENT APPROVAL ORDER****Paliare Roland Rosenberg Rothstein LLP**155 Wellington Street West, 35th Floor
Toronto ON M5V 3H1
Tel: 416.646.4300**Kenneth T. Rosenberg (LSO# 21102H)**Tel: 416.646.4304
ken.rosenberg@paliareroland.com**Massimo (Max) Starnino (LSO# 41048G)**Tel: 416.646.7431
max.starnino@paliareroland.com**Lily Harmer (LSO# 31880T)**Tel: 416.646.4326
lily.harmer@paliareroland.com**Jesse Wright (LSO# 80382Q)**Tel: 416.646.6314
jesse.wright@paliareroland.com

Representative Counsel

T A B E

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

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

THE HONOURABLE)
)
MR. JUSTICE KOEHNEN) MONDAY, THE 1st DAY
)
) OF NOVEMBER, 2021.



**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

ORDER

THIS MOTION made by MNP Ltd., in its capacity as court appointed liquidator (“**Liquidator**”) 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. (collectively “**First Hamilton**”), for an order:

- (1) abridging the time for service of the notice of motion dated October 25, 2021, the motion record dated October 25, 2021 and the third report of the Liquidator dated October 25, 2021 (the “**Third Report**”), if necessary, so that this Motion is

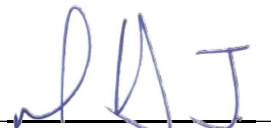
properly returnable on November 1, 2021, and dispensing with further service thereof;

- (2) approving the activities of the Liquidator, as described in the Third Report;
- (3) approving the fees and disbursements of the Liquidator and its legal counsel, Blaney McMurtry LLP (“**Blaneys**”), as set out in the Third Report of the Liquidator dated October 24, 2021, and the Fee Affidavit of Jerry Henechowicz, sworn October 24, 2021 and the Fee Affidavit of Lou Brzezinski, sworn October 25, 2021, (the “**Fee Affidavits**” and the “**Fees and Disbursements**” respectively); and,
- (4) such further and other relief as counsel may request and this Court deem just;

was heard this day via videoconference due to the COVID-19 pandemic.

ON READING the Motion Record of the Liquidator dated October 25, 2021, including the Third Report, and on hearing the submissions of counsel for the Liquidator, and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Janis Balvers, sworn October 25, 2021, filed:

1. **THIS COURT ORDERS** that the time for service and notice of this Motion is hereby validated such that this Motion is properly returnable today, without further service or notice thereof.
2. **THIS COURT ORDERS** that the Third Report and the activities described therein are hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Liquidator and Blaneys, as set out in the Third Report, and the Fee Affidavits are hereby approved.



**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.**

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

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

ORDER (COROLLARY RELIEF)

(Motion for Claims Procedure Approval – November 1, 2021)

BLANEY McMURTRY LLP

2 Queen Street East

Suite 1500

Toronto, ON M5C 3G5

Mervyn D. Abramowitz (LSO #28325R)

Tel: (416) 597-4887

mabramowitz@blaney.com

Lawyers for the Applicants, MNP Ltd., in its capacity as Court-
Appointed Liquidator of
First Hamilton Holdings Inc.,
First Hamilton Financial Services.,
First Hamilton Capital Inc.,
First Hamilton General Partner 2 Inc., and
First Hamilton Mortgage Brokers Inc.

TAB F

Court File No.CV-2000641059-00CL

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 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

Applicants

FOURTH REPORT OF THE LIQUIDATOR

JULY 26, 2021

INTRODUCTION

1. This fourth report of the Liquidator (the “**Fourth Report**”) is filed by Ernst & Young Inc. (“**EYI**” or the “**Liquidator**”) in its capacity as Liquidator of the estate and effects of the Applicants, Pace Securities Corp. (“**PSC**”), Pace Financial Limited (“**PFL**”), Pace Insurance Brokers Limited (“**PIB**”) and Pace General Partner Limited (“**PGPL**”) (collectively the “**Companies**”) appointed pursuant to the Order of the Honourable Mr. Justice Hailey dated May 14, 2020 (the “**Appointment Order**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The purpose of this Fourth Report is to provide the Court with information regarding the motion brought by Paliare Roland Rosenberg Rothstein LLP as representative counsel (“**Representative Counsel**”), returnable July 30, 2021, seeking an order (the “**Settlement**”).

Approval Order”) to approve and implement a settlement of the claims of the preferred shareholders of PFL and FHH.

TERMS OF REFERENCE

3. In preparing this Fourth Report and making the comments herein, the Liquidator has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Companies’ books and records, discussions with the management of the Companies and information from other third-party sources (collectively, the **“Information”**). Future oriented financial information relied upon in this Fourth Report is based on assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.
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. The Liquidator will make a copy of this Fourth Report, and related documents, available on the Liquidator’s website at www.ey.com/ca/pacesecurities.
6. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

OVERVIEW

7. PSC and PFL are each corporations incorporated under the *Business Corporations Act* (Ontario). Their registered and head office is located at 50 Burnhamthorpe Road West, Suite 600, Mississauga, Ontario L5B 3C2. Joe Thomson was the CEO and was a director of PSC and PFL.
8. PSC is an investment dealer regulated by The Investment Industry Regulatory Organization of Canada (**“IIROC”**) and an investment fund manager regulated by the Ontario Securities Commission (**“OSC”**).

9. PSC did not hold its customers' cash and securities itself. Rather, pursuant to the IIROC rules, PSC was an introducing broker that was a party to an Introducing Type 2 Arrangement and, as such, PSC's client accounts were held with its carrying broker, Laurentian Bank Securities Limited ("LBS").
10. PFL carried on business as an investment vehicle for accredited investors to earn fixed dividends from an investment in a basket of high-yield bonds. PFL raised capital by selling preference shares. PFL used those proceeds to purchase high-yield bonds on "margin"¹ through its accounts at PSC. The interest and any trading profits earned on the bonds net of management costs from PSC and other expenses were to be used to fund regular dividend payments to the preference shareholders.
11. Almost all of PFL's investors are retail investors, and many of its investors also have accounts with PSC. PSC provided brokerage, investment and business management services to PFL.
12. Like PFL, First Hamilton Holdings Inc. ("FHH")² sold preference shares, accompanied by warrants for one series of shares, to investors and used the proceeds from those shares to invest in a basket of high-yield bonds, the interest and gains on which were intended to be used to pay management fees to PSC and dividends to holders of the preference shares, as well as to fund other business ventures. As at the date of the Appointment Order, FHH was indebted to LBS in the approximate amount of \$2.8 million on account of margin provided by LBS to FHH.
13. PGPL is a corporation incorporated under the *Canada Business Corporations Act* and is a holding company that owns 100% of the common shares of PFL. PGPL also acts as the general partner for Pace Capital Partners L.P. ("PCP").
14. PCP is a limited partnership. PCP raised money from accredited investors and invested the proceeds in high-yield bonds on margin through LBS. The majority of investors that

¹ 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 interest-bearing loan in the account is collateralized by the securities and cash in the account. Because LBS is PSC's carrying broker, any margin loans provided through a PSC account were in fact provided by LBS.

² Joe Thomson was the CEO and is a director of FHH.

subscribed for units of PCP have since redeemed their units. There are five remaining investors in, and limited securities owned by PCP. PCP is indebted to LBS in the approximate amount of \$42,000 on account of margin provided by LBS to PCP. PSC provided brokerage, investment and business management services to PCP.

15. On May 14, 2020, EYI was appointed as Liquidator of the estate and effects of the Companies. Pursuant to the Appointment Order, all of the Companies' employees were terminated.
16. On May 21, 2020, a Hearing Panel of IIROC issued an order, among other things, suspending PSC's membership in IIROC and ordering that PSC immediately cease dealing with the public.
17. Also, on May 21, 2020, MNP Ltd. ("**MNP**") was appointed, pursuant to an order of this Court, as liquidator of the estate and effects of, among other entities, FHH (the "**FHH Liquidator**").³
18. On June 5, 2020 the OSC suspended PSC's investment fund manager registration.

APPOINTMENT OF REPRESENTATIVE COUNSEL.

19. As initially discussed in the Second Report of the Liquidator dated July 31, 2020 (the "**Second Report**"), EYI had been made aware of claims and/or potential claims by holders of PFL and FHH preference shares and warrants (collectively referred to herein as the "**Investor Claimants**") against various parties including the Companies, FHH, Pace Credit Union, and their respective directors and officers (collectively, the "**Potential Defendants**").
20. On August 6, 2020, Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**") was appointed by Order of Justice Hainey (the "**Representative Counsel Order**") as Representative Counsel to, among other things, advance the interests of the Investor Claimants in this proceeding and the liquidation proceeding in respect of FHH.

³ This proceeding and the FHH liquidation proceeding are referred to herein collectively as the "**Liquidation Proceedings**". The Liquidator and the FHH Liquidator are referred to herein collectively as the "**Court Appointed Liquidators**".

21. The Representative Counsel Order also granted Pace Credit Union the exclusive authority, until October 15, 2020, to seek, design and present a settlement and/or settlement package in respect of direct and indirect certain claims against Pace Credit Union, to Representative Counsel and the Court Appointed Liquidators (the “**Exclusivity Period**”). By the consent of Representative Counsel and the Court Appointed Liquidators, the Exclusivity Period was extended until October 30, 2020.

PREFERRED SHAREHOLDER CLAIMS PROCESS

22. As of the end of the Exclusivity Period, no settlement offer or package was delivered to Representative Counsel and the Court Appointed Liquidators.
23. On or about November 20, 2020, FSRA announced that as a result of the resignation of several directors and officers of Pace Credit Union, FSRA was resuming oversight of the day-to-day operations of Pace Credit Union pursuant to a previously issued administration order.
24. During and after the Exclusivity Period, communications continued between Representative Counsel, counsel for Pace Credit Union, FSRA, EYI, and the FHH Liquidator with respect to, among other things, a process for the resolution of the Investor Claimants’ claims.
25. By Orders of the Court dated March 2, 2021 in each of the Liquidation Proceedings on motions by Representative Counsel (the “**Claim Procedure Orders**”), a process was established for resolving the claims of the Investor Claimants in respect of their purchase of PFL and FHH preference shares and warrants, (together, with the claims of 7903197 Canada Inc. in respect of its purchase of Pace Capital Partners Series A Limited Partnership Units, the “**Preferred Shareholder Claims**”).
26. The Claim Procedure Orders provided the framework for a process for resolving the Preferred Shareholder Claims. This process provided for a start date triggered by the delivery of a Claims Brief⁴ by Representative Counsel detailing the Investor Claimants’ claims (various Interested Parties subsequently delivered Responding Briefs) followed by

⁴ All capitalized terms not defined in this Report are used as defined in the Claim Procedure Orders.

two distinct phases;

- a) a Mediation Process (as described further below); and
- b) if necessary, a Claims Adjudication Process⁵ to deal with the adjudication of any unsettled claims.

MEDIATION PROCESS

27. Pursuant to the Claim Procedure Orders, Joel Wiesenfeld was appointed as Mediator (the “**Mediator**”) to attempt to facilitate the resolution of the Preferred Shareholder Claims and any Related Claims. The Mediator’s primary objective was to achieve a comprehensive settlement of all Preferred Shareholder Claims and Related Claims, but where the Mediator was satisfied that attainment of that objective was not possible, the Mediator may seek to facilitate partial settlements, and/or seek to obtain agreement with respect to the Claims Adjudication Process.
28. The Mediator was to consult with each of Representative Counsel, the Court Appointed Liquidators, Pace Credit Union and every other Interested Party, and shall thereafter establish and implement the Mediation Process.
29. The Court Appointed Liquidators were to have a facilitative role to play in respect of preparation of the Claims Brief, the Mediation Process, and Claims Adjudication Process, including, without limitation, through the production of non-privileged documents and other relevant information to Representative Counsel, to Pace Credit Union, and to Interested Parties for those purposes.
30. A Document Production Protocol with respect to documents in the possession of the Court Appointed Liquidators was negotiated and agreed upon among the parties to the Mediation

⁵ The Claims Adjudication Process means the expedited and simplified process to be determined by the Court following the Claims Adjudication Start Date after hearing submissions from the Court Appointed Liquidators and Interested Parties and receiving any recommendation from the Mediator, which process would feature fixed trial dates and which was intended to result in the adjudication of any outstanding Preferred Shareholder Claims and Related Claims by no later than 6 months after the Claims Adjudication Start Date.

Process. The Liquidator produced documents to requesting parties throughout the mediation process in accordance with that protocol.

31. The Mediator communicated formally with the parties to the Mediation Process beginning on March 31, 2021 and throughout the Mediation Process. The Liquidator assisted the Mediator as requested with respect to, among other things, communications and production of information and documents.
32. Commencing on May 31, 2021, the Mediator began canvassing individual parties as to their settlement positions through separate meetings.
33. More formal mediation sessions took place during the weeks of June 14 and 21, 2021 with the stated goal of reaching a full or partial resolution by the end of June 2021, such that the matter would proceed thereafter before the Court for settlement approval or approval of the Claims Adjudication Process, as the case may be. If applicable, July 2, 2021 was designated as the ‘Start Date’ of the Claims Adjudication Process (as per paragraph 2(b) of the Claim Procedure Orders).

PROPOSED SETTLEMENT

34. The Mediation Process resulted in a settlement of the Preferred Shareholder Claims (the “**Settlement**”), subject to Court approval, pursuant to a Settlement Term Sheet dated as of June 24, 2021 (the “**Term Sheet**”), a redacted copy of which is attached as Appendix “C” to the Second Report of Representative Counsel filed in connection with the motion seeking approval of the Settlement.
35. The material terms of the Settlement are summarized as follows:
 - a) Monetary compensation totaling \$40 million (the “**Settlement Amount**”) is to be paid to the Investor Claimants in exchange for the release of claims against the Settling Parties.
 - b) The Settling Parties are Pace Credit Union, AIG Insurance Company of Canada, in its capacity as the insurer for PSC, FHH and PFL (the “**Insured Organizations**”) and certain of their directors and officers (the “**Individual Insureds**”), the Insured

Organizations, the Individual Insureds, and various investment advisors formerly employed by PSC represented by their insurers AXIS Reinsurance Company (Canadian Branch) and Liberty Mutual (the “**Investment Advisors**”). It is a term of the Settlement that the precise contribution made by each of the Settling Parties will remain confidential, subject to communications with legal or financial advisors and/or legal and financial disclosure obligations.

- c) The Settlement Amount will be paid to Representative Counsel, in trust, within 60 days of the final approval of the Settlement by the Court, for further distribution to Investor Claimants in accordance with a scheme of distribution to be approved by the Court on future motion by Representative Counsel.
 - d) Pace Credit Union has agreed to limit any damages, costs, taxes or disbursements sought in the Credit Union Action (defined in the Term Sheet) to the damages attributable to the several liability of the existing parties in that action that may be proved at trial.
 - e) AIG, the Individual Insureds, the Court Appointed Liquidators on behalf of the Insured Organizations, the Investment Advisors, and the Investment Advisors’ insurers (AXIS Reinsurance Company (Canadian Branch) and Liberty Mutual) have agreed to exchange consents and releases.
 - f) In recognition of ongoing regulatory matters pertaining to certain Settling Parties, the Investor Claimants have agreed to provide written support for the resolution of any and all regulatory matters associated with the purchase, sale, and distribution of the Preferred Shares, upon receipt of a request for such support.
36. The Liquidator supports approval of the Settlement by the Court for the following principal reasons:
- a) The relevant parties appear to have participated in the Mediation Process in good faith.
 - b) The Settlement was arrived at expeditiously.
 - c) The magnitude of the payment amount under the Settlement is significant.

- d) As reported by Representative Counsel, many of the Investor Claimants are near or at retirement age, such that they need compensation on a timely basis and will not benefit from protracted litigation.
- e) The alternative to the Settlement is protracted and expensive litigation of factually and legally complex claims by the Investor Claimants.
- f) Approval of the Settlement will allow the Court Appointed Liquidators to proceed with completion of the administration of the winding-up proceedings.

RECOMMENDATIONS

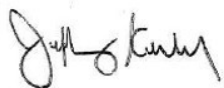
37. For the reasons enumerated above, the Liquidator recommends the approval of the Settlement, as set out in the Settlement Approval Order submitted by Representative Counsel.

All of which is respectfully submitted this 26th day of July, 2021.

ERNST & YOUNG INC.,

Solely in its capacity as Liquidator of
Pace Securities Corp., Pace Financial Limited,
Pace Insurance Brokers Limited, and Pace General Partner Limited
and not in its personal or corporate capacity

Per:



Jeffrey D. Kerbel
Senior Vice-President

TAB G

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

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

THE HONOURABLE	)	WEDNESDAY, THE 2nd
)	
JUSTICE GILMORE	)	DAY OF MARCH, 2022

**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

ORDER

(Dissolution and Discharge Liquidator)

THIS MOTION, made by MNP Ltd. (“**MNP**”), in its capacity as the Court-appointed Liquidator (“**Liquidator**”) of the estate and effects of First Hamilton Holdings Inc. (“**FHH**”), First Hamilton Financial Services Inc. (“**FHFS**”), First Hamilton General Partner 2 Inc. (“**FHGP2**”), First Hamilton Capital Inc. (“**FHC**”), First Hamilton Mortgage Brokers Inc. (“**FHMB**”) (collectively the “**Companies**”), for an order:

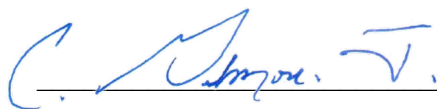
1. approving the activities of the Liquidator, as described in the Liquidator's Fourth Report to this Court (the "**Report**"), including the implementation of a claims procedure, the filing of a claim against Pace Securities Corporation ("**PSC**"), along with the further proposed activities, up to the date of the Liquidator's discharge, and authorizing the Liquidator to complete the liquidation and the dissolution of the Corporation, all as described in the Report;
2. dissolving the Companies;
3. approving the fees and disbursements of the Liquidator and its legal counsel, as set out in the fee affidavits of Jerry Henechowicz and Lou Brzezinski, respectively, including the estimated fees and disbursements of the Liquidator and its legal counsel to complete the administration of the Companies, all as set out in the Report, up to the date of the discharge of the Liquidator;
4. discharging the Liquidator of its responsibilities in respect of the undertaking, property and assets of the Companies, except in respect of such incidental duties as may be required to complete the Liquidation herein and without prejudice to the right of the Liquidator to return to this Court, if necessary, for advice and directions;
5. releasing and discharging MNP from any and all liabilities in respect of the Companies that MNP now has or hereafter may have by reason of, or in any way arising out of, any acts or omissions of MNP while acting in its capacity as Liquidator from May 21, 2020 to the date of MNP's discharge and completion of its duties, save and except for any gross negligence or willful misconduct on MNP's part; and,
6. Such further and other relief as counsel may advise and to this Court seems just;

was heard this day via Zoom videoconference at Toronto, Ontario.

ON READING the Motion Record, including the Report, and the Fee Affidavits of Jerry Henechowicz and Lou Brzezinski, respectively (the “**Fee Affidavits**”), filed, and on hearing the submissions of counsel for the Liquidator,

1. **THIS COURT ORDERS** that the activities of the Liquidator, including the implementation of the Claims Procedure, and the filing of a claim against PSC, together with the proposed further activities, up to the date of the Liquidator’s discharge, and the completion of the liquidation and the dissolution of the Companies, all as described in the Report, are hereby approved.
2. **THIS COURT FURTHER ORDERS** that the Companies be and are hereby dissolved.
3. **THIS COURT FURTHER ORDERS** that the fees and disbursements of the Liquidator and its counsel, as set out in the Report and the Fee Affidavits, and the estimated fees and disbursements to complete the liquidation and administration of the Companies are hereby approved.
4. **THIS COURT FURTHER ORDERS** that the Liquidator be and is hereby discharged as Liquidator of the undertaking, property and assets of the Companies, provided however that notwithstanding its discharge herein (a) the Liquidator shall remain Liquidator for the performance of the proposed activities, as set out in the Report, along with such incidental duties as may be required to complete the administration of the receivership herein, and in that regard, the Liquidator may return to this Court, if necessary, for advice and directions; and (b) the Liquidator shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of MNP in its capacity as Liquidator.

5. **THIS COURT FURTHER ORDERS AND DECLARES** that MNP is hereby released and discharged from any and all liability that MNP now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of MNP while acting in its capacity as Liquidator herein, save and except for any gross negligence or wilful misconduct on the Liquidator's part. Without limiting the generality of the foregoing, MNP is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within winding up and liquidation proceedings, save and except for any gross negligence or wilful misconduct on the Liquidator's part.



**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.**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT TORONTO

ORDER

BLANEY McMURTRY LLP
2 Queen Street East
Suite 1500
Toronto, ON M5C 3G5

Mervyn D. Abramowitz (LSO #28325R)
Tel: (416) 597-4887
mabramowitz@blaney.com

Lawyers for MNP Ltd., in its capacity as Court-Appointed
Liquidator of
First Hamilton Holdings Inc.,
First Hamilton Financial Services.,
First Hamilton Capital Inc.,
First Hamilton General Partner 2 Inc., and
First Hamilton Mortgage Brokers Inc.

TAB H

**In the Matter of the Winding Up of First Hamilton Holdings Inc. and Certain of its
Related and Affiliated Entities**

Court Approved Distribution to Unsecured Creditors

April 30, 2022

<i>Unsecured Creditor Name</i>	<i>Amount Filed</i>	<i>Admitted for Distribution</i>	<i>Prorata Distribution</i>
1. AS2 Chartered Professional Accountant Professional Corporation formerly AS2 Chartered Accountant Professional Corporation Attn: Andre Sian 63 Soper Creek Drive Bowmanville ON L1C 4K7	25,622.75	25,622.75	23,056.35
2. Borden Ladner Gervais LLP Attn: Ronald M. Kosonic Bat Adelaide Centre, East Tower, 22 Adelaide St. W., Suite 3400 Toronto ON M5H 4E3	173,570.19	173,570.19	156,185.26
3. Dickinson Wright LLP 199 Bay St. Suite 2200, Commerce Court West Toronto ON M5L 1G4	98,564.90	98,564.90	88,692.56
4. First Real Properties Limited Attn: Jocelyne Mainville 100 King Street West, Plaza Level Hamilton ON L8P 1A2	82,401.28	82,401.28	74,147.90
5. Hansell LLP 161 Bay St., 27th Floor Toronto ON M5J 2S1	17,403.44	17,403.34	15,660.21
6. Hilborn LLP 401 Bay Street, Suite 3100 Toronto ON M5H 2Y4	13,560.00	13,560.00	12,201.82
7. Pace Securities Corp. Attn: Alison Ho c/o E & Y Inc., Court appointed Liquidator of Pace Securities Corp 100 Adelaide St. W., PO Box 1 Toronto ON M5H 0B3	113,300.00	113,300.00	101,951.78
8. SS&C Fund Administration Company Attn: Craig Norval 200 Front Street West, Suite 2500 Toronto ON M5V 3K2	19,775.00	19,775.00	17,794.32
9. Swithin Domingo 3366 Felmore Drive Mississauga ON L5C 2E2	814.68	814.68	733.08
	<u>545,012.24</u>	<u>545,012.14</u>	<u>490,423.28</u>

TAB I

In the Matter of the Winding Up of First Hamilton Holdings Inc. and Certain of its Related and Affiliated Entities

Court Approved Amended Distribution to Unsecured Creditors

May 11, 2022

<i>Unsecured Creditor Name</i>	<i>Amount Filed</i>	<i>Admitted for Distribution</i>	<i>Required Distribution</i>	<i>Initial Distribution</i>	<i>Final Distribution</i>	<i>Total Distribution</i>
1. AS2 Chartered Professional Accountant Professional Corporation formerly AS2 Chartered Accountant Professional Corporation Attn: Andre Sian 63 Soper Creek Drive Bowmanville ON L1C 4K7	25,622.75	25,622.75	25,622.75	23,056.35	2,566.40	25,622.75
2. Borden Ladner Gervais LLP Attn: Ronald M. Kosonic Bat Adelaide Centre, East Tower, 22 Adelaide St. W., Suite 3400 Toronto ON M5H 4E3	173,570.19	173,570.19	173,570.19	156,185.26	17,384.93	173,570.19
3. Dickinson Wright LLP 199 Bay St. Suite 2200, Commerce Court West Toronto ON M5L 1G4	98,564.90	98,564.90	98,564.90	88,692.56	9,872.34	98,564.90
4. First Real Properties Limited Attn: Jocelyne Mainville 100 King Street West, Plaza Level Hamilton ON L8P 1A2	82,401.28	82,401.28	82,401.28	74,147.90	8,253.38	82,401.28
5. Hansell LLP 161 Bay St., 27th Floor Toronto ON M5J 2S1	17,403.44	17,403.34	17,403.34	15,660.21	1,743.13	17,403.34
6. Hilborn LLP 401 Bay Street, Suite 3100 Toronto ON M5H 2Y4	13,560.00	13,560.00	13,560.00	12,201.82	1,358.18	13,560.00
7. Pace Securities Corp. Attn: Alison Ho c/o E & Y Inc., Court appointed Liquidator of Pace Securities Corp 100 Adelaide St. W., PO Box 1 Toronto ON M5H 0B3	11,300.00	11,300.00	11,300.00	0.00	11,300.00	11,300.00
8. SS&C Fund Administration Company Attn: Craig Norval 200 Front Street West, Suite 2500 Toronto ON M5V 3K2	19,775.00	19,775.00	19,775.00	17,794.32	1,980.68	19,775.00
9. Swithin Domingo 3366 Felmore Drive Mississauga ON L5C 2E2	814.68	814.68	814.68	733.08	81.60	814.68
	443,012.24	443,012.14	443,012.14	388,471.50	54,540.64	443,012.14

TAB J

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		

TAB K

**IN THE MATTER OF THE WINDING UP OF FIRST HAMILTON HOLDINGS INC.
AND CERTAIN OF ITS RELATED AND AFFILIATED ENTITIES
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDED JUNE 8, 2022**

RECEIPTS

Securities	978,797.73
Office furniture & equipment	30,000.00
Cash in bank	5,000.00
HST Collected	3,900.00
Refunds	1,963.37
Interest earned	592.91
	<u>1,020,254.01</u>

DISBURSEMENTS

Distributions to creditors	443,012.14
Legal fees & disbursements	242,568.40
Liquidator fees & disbursements	212,797.74
HST paid	56,306.53
Occupation rent	13,785.14
Advertisement of Claims Process	4,177.06
Bank charges	128.19
Ontario Gazette notices	75.00
	<u>972,850.20</u>

EXCESS OF CASH RECEIPTS OVER DISBURSEMENTS

47,403.81

TAB L

STATUTORY DECLARATION

CANADA

PROVINCE OF ONTARIO

) **IN THE MATTER OF** Court File No. CV-20-
) 00641372-00CL in the Ontario Superior Court of
) Justice (Commercial List)
)
)

I, _____, of the City of _____, in the Province of Ontario,
SOLEMNLY DECLARE THAT

1. I am the holder of _____ common shares in the capital of First Hamilton Holdings Inc.,

AND I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.

DECLARED BEFORE ME at the _____)
City of _____, in the Province of _____)
Ontario, this _____ day of June, 2022.)

A Commissioner, etc)
)

TAB M

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.

AFFIDAVIT OF JERRY HENECHOWICZ

(Sworn June 14, 2022)


I, Jerry Henechowicz, of the City of Markham, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and a licensed Trustee with MNP Ltd. the Court-appointed liquidator (the “**Liquidator**”) 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. and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. The Liquidator was appointed, without security, of the assets, property and undertaking of the Company by Order of the Court dated May 21, 2020.

3. The Liquidator has prepared a Statements of Account in connection with its appointment as Liquidator detailing its services rendered and disbursements incurred for the period February 15, 2022 to the completion of the administration of these proceedings. Attached hereto and marked as Exhibit "A" to this my Affidavit is a summary of the Statements of Account.
4. Attached hereto and marked as Exhibit "B" are copies of the Statements of Account. The average hourly rate in respect of the account is \$472.73.
5. This Affidavit is made in support of a motion to, *inter alia*, approve the receipts and disbursements of the Liquidator and its accounts.

SWORN BEFORE ME by video Conference,)
 From the City of Toronto,)
 to the Town of Erin, in County of Wellington,))
 on this 14th day of June, 2022)



 A Commissioner, etc.

Matthew Eric Lam, a Commissioner, etc.,
 Province of Ontario, for MNP Ltd. and MNP LLP.
 Expires February 21, 2023.



JERRY HENECHOWICZ

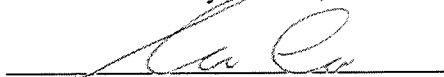
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me video conference

This 14th day of June, 2022

A handwritten signature in cursive script, appearing to read "A. E.", is written over a horizontal line.

Commissioner for taking Affidavits, etc

Exhibit "A"
LIQUIDATION OF FIRST HAMILTON HOLDINGS INC. ET AL
SUMMARY OF STATEMENTS OF ACCOUNT OF
MNP LTD IN ITS CAPACITY AS COURT APPOINTED LIQUIDATOR
FOR THE PERIOD FEBRUARY 15, 2022 THE COMPLETION OF THE ADMINISTRATION

MNP INV	DATE	HOURS	FEEs	DISBURSEMENTS	HST	TOTAL
10465183	14-Jun-2022	55.00	\$ 26,000.00	\$ -	\$ 3,380.00	\$ 29,380.00
		55.00	\$ 26,000.00	\$ -	\$ 3,380.00	\$ 29,380.00

Average Hourly Rate	\$ 472.73
---------------------	------------------

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me video conference

This 14th day of June, 2022



Commissioner for taking Affidavits, etc

Invoice**Invoice Number :** 10465183**Client Number :** 0824008**Invoice Date :** Jun 14 2022**Invoice Terms :** Due Upon Receipt

First Hamilton Holdings Inc.
 100 King Street West, Suite 680
 Hamilton, ON L8P 1A2

For Professional Services Rendered :

Professional services rendered as Court-appointed Liquidator of First Hamilton Holdings Inc. and certain of its related and affiliated entities for the period February 15, 2022 to the completion of the of the administration of the Liquidation capped at total fees of \$26,000 as set out on the attached time and billing summary. 8,500.00

Harmonized Sales Tax : 1,105.00

Total (CAD) : 9,605.00

HST Registration Number : 103697215 RT 0001

Invoices are due and payable upon receipt.

Thank you for your business. We sincerely appreciate your trust in us.

Licensed Insolvency Trustees
 111 RICHMOND STREET WEST, SUITE 300;
 TORONTO ON; M5H 2G4
 P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

MNP LTD.

COURT APPOINTED LIQUIDATOR OF FIRST HAMILTON HOLDINGS AND CERTAIN OF ITS RELATED AND AFFILIATED ENTITIES

FOR THE PERIOD FEBRUARY 15, 2022 TO THE COMPLETION OF THE ADMINISTRATION OF THE LIQUIDATION

DATE	PROFESSIONAL	HOURS	DESCRIPTION
16-Feb-2022	Jerry Henechowicz	4.30	Drafting of 4th report to Court
17-Feb-2022	Jerry Henechowicz	3.30	Drafting of report, sending first draft to Blaney, multiple discussions with Blaney on related issues
22-Feb-2022	Jerry Henechowicz	4.10	Finalization of report, arranging completion, forwarding Appendices, swearing of fee affidavit, email from former employee re FSRA letter
22-Feb-2022	Fatemah Khalfan	.60	Cheque requisition prepared and sent to J. Henechowicz for signing; received back and saved to client folder; realized that there were insufficient funds in the Estate; sent email to J. Henechowicz; reviewed email exchanged between TD Bank and J. Henechowicz on partial redemption of GIC; funds received in account; put cheque through Ascend for e-signing; printed cheque and gave to R. Bernakevitch for deposit
23-Feb-2022	Jerry Henechowicz	1.10	Updates to and service of report
24-Feb-2022	Fatemah Khalfan	.30	Posting done to Sitecore.
01-Mar-2022	Jerry Henechowicz	1.00	Preparation for Court Attendance
02-Mar-2022	Jerry Henechowicz	1.60	Court Attendance and follow up
02-Mar-2022	Fatemah Khalfan	.30	Posting done on Sitecore
14-Mar-2022	Jerry Henechowicz	1.10	Emails and calls related to obtaining CRA keys for filing of dissolution documents
15-Mar-2022	Patricia Ball	.10	Feb Bank Rec
16-Mar-2022	Jerry Henechowicz	.30	Cheque approval
16-Mar-2022	Fatemah Khalfan	.30	Prepared cheque requisition and sent to J. Henechowicz; received back and saved to client folder; put through Ascend for e-signing
18-Mar-2022	Jerry Henechowicz	.60	Review of filing docs presented for dissolution
21-Mar-2022	Fatemah Khalfan	.20	Printed cheque for Blaney McMurtry; scanned and saved to client folder; arranged for courier.
23-Mar-2022	Jerry Henechowicz	.60	Review of dissolution documents and call with Blaney to review potential changes
24-Mar-2022	Jerry Henechowicz	.20	Approval of payment of outstanding Blaney legal invoice
25-Mar-2022	Jerry Henechowicz	1.00	Review of various corporate resolutions to close file
25-Mar-2022	Fatemah Khalfan	.30	Cheque requisition prepared for Blaney McMurtry Invoice; sent to J. Henechowicz
28-Mar-2022	Fatemah Khalfan	.20	Printed cheque to Blaney McMurtry and arranged for courier; saved to client folder; update sent to J. Henechowicz.
29-Mar-2022	Jerry Henechowicz	.60	Execution and sending of final dissolution documents
04-Apr-2022	Jerry Henechowicz	.60	Review of documents provided for year end reporting
08-Apr-2022	Jerry Henechowicz	1.20	Emails with Blaney to calculate final distributions
11-Apr-2022	Fatemah Khalfan	.40	Email received from I. Mena at RBC re payout time line; forwarded email to J. Henechowicz and D. Hornbostel; received reply back from J. Henechowicz on how to proceed; email sent to I. Mena directing him to counsel for the Investor Claimants.
13-Apr-2022	Jerry Henechowicz	.30	Receipt and review of fully executed mutual releases
17-Apr-2022	Jerry Henechowicz	.30	Review of professional fee invoices and arranging payment of same
18-Apr-2022	Fatemah Khalfan	.30	Cheque requisition prepared and sent to J. Henechowicz; received back; saved to client folder and put through Ascend for e-signing.
20-Apr-2022	Jerry Henechowicz	.40	Call with M Abramowitz to confirm file administration other than issuing claim payments is complete
21-Apr-2022	Jerry Henechowicz	.30	Responding to Investor Enquiries
22-Apr-2022	Jerry Henechowicz	.50	Review and arranging payment of Blaney Final Billing, review of distribution of residual proceeds and next steps
24-Apr-2022	Jerry Henechowicz	.30	Overview of final payout
25-Apr-2022	Jerry Henechowicz	1.10	Approval and payment of Blaney final accounts, preparation final R&D and Distribution analysis
26-Apr-2022	Jerry Henechowicz	1.50	Preparation of distribution and correspondence
27-Apr-2022	Jerry Henechowicz	2.00	Finalizing distribution documentation, arranging cashing of GIC

MNP LTD.
COURT APPOINTED LIQUIDATOR OF FIRST HAMILTON HOLDINGS AND CERTAIN OF ITS RELATED AND AFFILIATED ENTITIES

FOR THE PERIOD FEBRUARY 15, 2022 TO THE COMPLETION OF THE ADMINISTRATION OF THE LIQUIDATION

DATE	PROFESSIONAL	HOURS	DESCRIPTION
29-Apr-2022	Jerry Henechowicz	.40	Follow up on distribution strategy
29-Apr-2022	Patricia Ball	.10	March bank rec
02-May-2022	Deborah Hornbostel	.20	Review and approve cheque requisitions
02-May-2022	Jerry Henechowicz	2.40	Preparation of distribution to unsecured creditors
03-May-2022	Jerry Henechowicz	.30	Approval of final distribution cheques and execution of cover letters
04-May-2022	Jerry Henechowicz	1.10	Issues related to creditor distribution and related issues
04-May-2022	Fatemah Khalfan	.40	Email received from J. Henechowicz to issue stop payment on cheque; email sent to M. Lem; Teams call with M. Lem and J. Henechowicz on this.
06-May-2022	Jerry Henechowicz	.60	On going follow up re distribution
10-May-2022	Jerry Henechowicz	.30	update to distribution
11-May-2022	Jerry Henechowicz	.20	Additional consultations re surplus
16-May-2022	Jerry Henechowicz	.50	Emails with Blaney regarding need for report and dealing with surplus
17-May-2022	Jerry Henechowicz	1.10	Call with M Abramowitz to discuss need for report, call with Dickinson Wright to obtain shareholders of First Hamilton
19-May-2022	Jerry Henechowicz	1.00	Draft of correspondence and emails re final distribution and cheques
24-May-2022	Jerry Henechowicz	1.00	Completing secondary distribution
24-May-2022	Patricia Ball	.10	April Bank Rec
24-May-2022	Fatemah Khalfan	1.00	Prepared/finalized letters for J. Henechowicz to sign off on; prepared cheque requisitions and sent to J. Henechowicz.
25-May-2022	Jerry Henechowicz	.80	Call with M Abramowitz on report and contents, review of draft notice of motion, order and affidavit
25-May-2022	Fatemah Khalfan	1.20	Letters finalized; put all cheques through Ascend for e-signing; printed cheques and arranged for registered mail; scanned and saved all to client folder.
30-May-2022	Jerry Henechowicz	1.00	Final report drafting
01-Jun-2022	Jerry Henechowicz	1.60	Report drafting
06-Jun-2022	Jerry Henechowicz	.50	Report Update
08-Jun-2022	Jerry Henechowicz	3.00	Drafting of 5th report and related materials
09-Jun-2022	Jerry Henechowicz	1.00	Update to report and call with Mervyn Abramowitz
12-Jun-2022	Jerry Henechowicz	1.00	Report update
13-Jun-2022	Jerry Henechowicz	1.60	Finalization of Report
13-Jun-2022	Sheldon Title	1.30	review/revisions to fifth report

55.00

BILLING SUMMARY			
PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Deborah Hornbostel	0.20	625.00	125.00
Fatemah Khalfan	5.50	260.00	1,430.00
Jerry Henechowicz	47.70	670.00	31,959.00
Patricia Ball	0.30	195.00	58.50
Sheldon Title	1.30	670.00	871.00
Total	55.00		34,443.50

Less:

Courtesy discount	- 8,443.50
Interim draw on fees	- 17,500.00

Balance this invoice **8,500.00**

TAB N

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 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

A F F I D A V I TI, **LOU BRZEZINSKI**, of the City of Vaughan, Province of Ontario, **MAKE****OATH AND SAY:**

1. I am a partner with Blaney McMurtry LLP, lawyers for MNP Ltd. in its capacity as Court-Appointed Liquidator of First Hamilton Holdings Inc., First Hamilton Financial Services., First Hamilton Capital Inc., First Hamilton General Partner 2 Inc., and First Hamilton Mortgage Brokers Inc., and as such have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief, and where so stated, I verily believe it to be true.
2. Attached and marked as **Exhibits “A”, “B” and “C”** respectively to this affidavit are copies of the accounts rendered by Blaney McMurtry LLP to the Court-Appointed Liquidator for legal fees and disbursements from February 1, 2022, to May 25, 2022 (the “**Accounts**”). The

Accounts total \$22,956.64, inclusive of fees, disbursements and HST, and accurately reflect the services that were provided.

3. The following is a summary of the hours expended by Blaney McMurtry LLP during the above-noted period in performing legal services for the Court-Appointed Liquidator:

- (a) Partners – 27.4 hours
- (b) Clerks – 3.2 hours

4. I verily believe that the hourly billing rates outlined in detail in each of the Accounts are in the range of normal average hourly rates charged by legal counsel for services rendered in relation to engagements similar to its engagement as counsel to the Liquidator.

5. This affidavit is sworn in support of a motion for an Order of this Honourable Court to, among other things, approve the fees and disbursements of counsel to the Court-Appointed Liquidator.

SWORN by Lou Brzezinski of the City of Vaughan, Province of Ontario, before me at the Town of Ajax, in the Province of Ontario, on June 14, 2022, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

}



Commissioner for Taking Affidavits
JANIS BALVERS



LOU BRZEZINSKI

**THIS IS EXHIBIT "A" REFERRED
TO IN THE AFFIDAVIT OF
LOU BRZEZINSKI SWORN BEFORE
ME THIS 14TH DAY OF JUNE, 2022.**

A handwritten signature in blue ink, appearing to read "Janis Balvers". The signature is cursive and somewhat stylized.

A Commissioner of Oaths
Janis Balvers

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL
MNP Ltd.
300 - 111 Richmond Street West
Toronto, ON M5H 2G4

Date
February 28, 2022

Invoice No.
734615

File No.
113317-0004

Attention: Jerry Henechowicz

RE: Liquidation of First Hamilton Holdings Inc.

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the above noted matter for the period ended February 28, 2022 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
February 1, 2022	MA	2.20	Conference call with J. Henechowicz, G. Benchetrit, J. Kerbel, A. Ho; prepare draft letter to potential assignees of FHH claims; telephone calls and email with L. Corne, G. Benchetrit re: motion to discharge Liquidator; instructions to J. Balvers re: Request Form and motion date; correspondence with J. Henechowicz re: assignment of claims and finalize letter to individuals; revise draft notice of motion re: discharge of Liquidator
February 2, 2022	MA	0.40	Set up Zoom motion hearing and send to court and counsel; receipt and review correspondence of J. Henechowicz and claims documents
February 8, 2022	MA	0.50	Correspondence and telephone call with J. Henechowicz re: discharge motion and report; receipt and review correspondence of S. Kushneryk and A. Markewicz re: releases
February 14, 2022	DAH	0.20	Telephone call from Mervyn Abramowitz inserting his conversation with the liquidator and the question of notice to the Ontario Ministry of Finance;
February 14, 2022	DAH	0.50	Telephone call from Mervyn Abramowitz

Date
February 28, 2022

Invoice No.
734615

File No.
113317-0004

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			regarding the requirements to be complied with in order to liquidate the companies;
February 14, 2022	MA	1.10	Correspondence and meeting with J. Henechowicz re: discharge motion, creditor claims; meet with D. Hendler re: liquidation, claims
February 16, 2022	MA	0.20	Correspondence with J. Henechowicz re: Liquidator's report, claims process, discharge motion
February 17, 2022	MA	0.20	Correspondence with J. Henechowicz re: Fourth Report
February 22, 2022	MA	2.00	Review draft Fourth Report to Court; revise and send to J. Henechowicz for review; prepare section re: PSC Claim; preparation of fees affidavit; revise Notice of Motion, draft order; further revisions to Fourth Report; meet with J. Henechowicz to commission fee affidavit
February 23, 2022	MA	1.20	Finalize Fourth Report and complete motion record; commission fee affidavit of L. Brzezinski; telephone call with J. Henechowicz re: Fourth Report

OUR FEE HEREIN: \$5,986.00
FEE HST: \$778.18

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Douglas A. Hendler	Partner	0.70	\$640.00	\$448.00
Mervyn Abramowitz	Partner	7.80	\$710.00	\$5,538.00

TOTAL FEES AND DISBURSEMENTS: \$5,986.00
TOTAL HST: \$778.18

Date
February 28, 2022

Invoice No.
734615

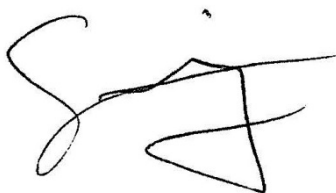
File No.
113317-0004

-3-

TOTAL AMOUNT DUE:

\$6,764.18

BLANEY McMURTRY LLP

A handwritten signature in black ink, appearing to read 'Mervyn Abramowitz', written over a horizontal line.

Mervyn Abramowitz
E. & O.E

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

We accept payment by cheque, Wire, VISA, Mastercard and AMEX.
To pay by Visa, Mastercard or Amex please [Click here to pay](#)
To pay by Wire: TD Canada Trust, Bank No. 004, Transit No. 10252,
General Account No. 0680-5215022 Swift Code: TDOMCATTOR
**Please ensure our invoice number, account number and/or file
number is quoted on all forms of payment.**
Contact email clientservices@blaney.com

**THIS IS EXHIBIT "B" REFERRED
TO IN THE AFFIDAVIT OF
LOU BRZEZINSKI SWORN BEFORE
ME THIS 14TH DAY OF JUNE, 2022.**

A handwritten signature in blue ink, appearing to read "Janis Balvers". The signature is written in a cursive style with a large initial "J".

A Commissioner of Oaths
Janis Balvers

HST REGISTRATION # R119444149

PRIVATE & CONFIDENTIAL
MNP Ltd.
300 - 111 Richmond Street West
Toronto, ON M5H 2G4

Date
April 22, 2022

Invoice No.
737739

File No.
113317-0004

Attention: Jerry Henechowicz

FINAL ACCOUNT

RE: Liquidation of First Hamilton Holdings Inc.

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the above noted matter for the period ended April 22, 2022 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
March 1, 2022	MA	1.00	Correspondence with J. Henechowicz; prepare for motion to discharge Liquidator; revise draft order
March 2, 2022	MA	1.00	Preparation for and attend before Gilmore J. re: motion to discharge Liquidator; correspondence with J. Henechowicz re: result and next steps
March 8, 2022	MA	0.10	Receipt and review entered order re: dissolution of corporations
March 9, 2022	DAH	0.60	Review and approve the draft Notices Concerning Winding Up for the three Ontario companies; Confer with corporate services;; Review the email from corporate services regarding the additional information and documents required in order to complete the winding up of the two Canada Corporations; Email to Mervyn Abramowitz setting out the additional requirements and requesting the required information and documents;
March 9, 2022	DAH	0.20	Review the email from Mervyn Abramowitz and the court order that five companies be

Date
April 22, 2022

Invoice No.
737739

File No.
113317-0004

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			dissolved; Instructions to corporate services regarding the dissolution of the five companies;
March 9, 2022	MA	0.20	Meet with D. Hendler re: dissolution of corporations
March 9, 2022	NLi	0.80	Reviewing email instructions and court order regarding the winding up of First Hamilton Holdings Inc. and related entities; Preparing Notice Concerning Winding Up and submitting draft copies for review by lawyer;
March 10, 2022	DAH	0.80	Review the email from Mervyn Abramowitz regarding the corporation keys and the certified Confirm with corporate services regarding the Required number of the certified copies of the court order; Instructions to corporate services to advise the law clerk accordingly; Review the email from corporate services to the law clerk; Teller telephone call to Jerry Henechowicz Regarding the corporation keys for the two Canada corporations; Follow-up email to Jerry Henechowicz confirming the requirements, as requested by him; Review the email from the Law clerk regarding the certified copies of the court order and reply thereto; Review the response from the law clerk;
March 10, 2022	MA	0.30	Meet with D. Hendler, J. Balvers, N. Li re: requirements for dissolution of corporations
March 14, 2022	DAH	0.60	Review the email from Jerry Henechowicz and the attachments with the corporation key numbers for both Federal companies; Reply to Jerry Henechowicz; Email to corporate services forwarding the information received from Jerry Henechowicz; Instructions to corporate services; Review the email from the assistant to Mervyn Abramowitz and the certified copy of the dissolution order of the court; Reply to that email;
March 14, 2022	MA	0.40	Receipt and review certified copy of dissolution order; receipt and review correspondence of J. Henechowicz and D. Sheldon re: corporate keys for CBCA corporations; receipt and

Date
April 22, 2022

Invoice No.
737739

File No.
113317-0004

-3-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			review correspondence of D. Hendler re: next steps re: dissolution of corporations
March 15, 2022	DAH	0.10	Telephone call to corporate services regarding the dissolution of the companies;
March 15, 2022	MA	0.30	Receipt and review correspondence of J. Henechowicz with email trail of H. Zucker re: financial information; receipt and review correspondence of D. Hendler re: corporate resolutions and dissolution of corporations
March 21, 2022	DAH	0.50	Review the Articles of Dissolution of First Hamilton Capital & First Hamilton Mortgage Brokers; Confer with corporate services regarding the Articles of Dissolution; Conference call with corporate services and with Mervyn Abramowitz regarding the signing authority for the Articles of Dissolution; Review the email from Mervyn Abramowitz and the original court order; Instructions to corporate services that Jerry Henechowicz is authorized to sign the Articles of Dissolution for both companies;
March 21, 2022	DAH	0.60	Review the email from corporate services and the dissolution documents attached; Email to Jerry Henechowicz forwarding the dissolution documents for signature and return and advising regarding related requirements;
March 21, 2022	MA	0.50	Meet with D. Hendler and N. Li re: execution and filing of documents for winding up of CBCA corporations; review and provide copy of Winding Up order re: MNP authorization to execute documents; review correspondence of D. Hendler to J. Henechowicz re: completion of forms for filing with Ministry
March 21, 2022	NLi	0.70	Preparing Articles of Dissolution for First Hamilton Capital Inc. and First Hamilton Mortgage Brokers Inc.; Submitting draft documents for review by lawyer;
March 23, 2022	DAH	0.30	Telephone call from Jerry Henechowicz Regarding the dissolution and winding up forms to be signed by him; Email to corporate services requesting a revision to the forms to

Date
April 22, 2022

Invoice No.
737739

File No.
113317-0004

-4-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			be signed by Jerry Henechowicz, as requested by him; Review the email from Mervyn Abramowitz regarding the capacity and position of Jerry Henechowicz;
March 23, 2022	MA	0.40	Meet with D. Hendler and discuss completion of government forms re: dissolution of corporations; review prior forms completed by J. Henechowicz re: liquidation
March 25, 2022	DAH	0.20	Confer with corporate services regarding the revisions to the dissolution and winding depth up documents requested by Jerry Henechowicz to indicate his capacity as liquidator; Review the amended corporate documents regarding the dissolution and winding up of the companies; Email to Jerry Henechowicz forwarding the dissolution and winding up documents for signature and return;
March 28, 2022	DAH	0.20	Review thhe amended Articles of Dissolution for the Canada Business Corporations Act companies; Instructions to corporate services regarding the Articles of Dissolution for the Canada Business Corporation Act companies; Email to Jerry Henechowicz forwarding the winding up and dissolution documents as amended, for signature, return and filing;
March 28, 2022	MA	0.20	Review notices of dissolution and winding up
March 28, 2022	NLi	0.50	Attendance to discussion with lawyer for revising Notices Concerning Winding Up and Articles of Dissolution in connection with the court ordered winding up of First Hamilton Holdings Inc. and related entities; Revising documents accordingly and submitting same for review by lawyer;
March 29, 2022	DAH	0.30	Review the email from Jerry Henechowicz and the signed winding up and dissolution documents; Instructions to corporate services to file the documents in order to complete the winding up and dissolution of the companies; Review the email from corporate services confirming the filings and providing the Certificate and Articles of Dissolution of the

Date
April 22, 2022

Invoice No.
737739

File No.
113317-0004

-5-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			Canada Business Corporation Act companies; Email to Jerry Henechowicz forwarding the Articles of Dissolution of the Canada Business Corporations Act companies and advising that the Ontario documents have been submitted for filing but have not yet been processed;
March 29, 2022	MA	0.20	Review confirmation of filing of notices of dissolution; discuss with D. Hendler
March 29, 2022	NLi	0.70	Receiving executed Notices Concerning Winding Up and Articles of Dissolution for First Hamilton Holdings Inc. and related entities; Attending to filing Articles of Dissolution; Arranging for filing Notices Concerning Winding Up; Arranging for payment of filing fee; Receiving confirmation of filing Articles of Dissolution; Reporting to lawyer;
April 1, 2022	DAH	0.20	Review the email from Mervyn Abramowitz regarding thee winding up of the Ontario corporations, and reply thereto;
April 7, 2022	DAH	0.20	Review the email from corporate services and the notices of the winding up of the three Ontario corporations; Email to Mervyn Abramowitz and to Jerry Henechowicz forwarding the notices of the winding up of the three Ontario corporations;
April 7, 2022	MA	0.20	Receipt and review confirmation of acceptance of filing of notices of dissolution by Ministry
April 7, 2022	NLi	0.50	Receiving confirmation of filing Notice Concerning Winding Up for First Hamilton General Partner 2 Inc., First Hamilton Holdings Inc. and First Hamilton Financial Services Inc.; Arranging for payment of agent fee; Reporting to lawyer;
April 8, 2022	DAH	0.90	Review the email from Jerry Henechowicz requesting an account; Review the reply from Mervyn Abramowitz and the draft account; Telephone call to Mervyn Abramowitz regarding the draft account and the time to be entered; Telephone call to corporate services regarding the missing time on the file; Conference call with Mervyn Abramowitz and

Date
April 22, 2022

Invoice No.
737739

File No.
113317-0004

-6-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
			with corporate services regarding the missing time on the file; Review the email from corporate services regarding the notification received from the Ontario Business Registry about the status of a limited partnership due to the dissolution of the General partner; Telephone call to corporate services regarding the email; Conference call with Mervyn Abramowitz and with corporate services regarding the notification from the Ontario Business Registry; Review the court order regarding the dissolution of the First Hamilton companies; Instructions to corporate services to prepare a draft memorandum to Jerry Henechowicz regarding the notification from the Ontario Business Registry and the status of the limited partnership; Review and finalize the memorandum to Jerry Henechowicz; Email to Jerry Henechowicz forwarding the memorandum;
April 8, 2022	MA	0.30	Meet with D. Hendler and N. Li re: dissolution of general partner and impact on limited partnership; review court orders; discuss advice to client re: notice received from Ontario Business Registry re: limited partnership
April 13, 2022	MA	0.30	Receipt and review correspondence of C. Garisto and executed release; correspondence with J. Henechowicz

OUR FEE HEREIN:
FEE HST:

\$8,250.00
\$1,072.50

<u>Lawyer</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Douglas A. Hendler	Partner	5.70	\$640.00	\$3,648.00
Mervyn Abramowitz	Partner	5.40	\$710.00	\$3,834.00
Na Li	Clerk	3.20	\$240.00	\$768.00

Disbursements

	<u>Amount</u>
Filing Fees* - Non-Taxable	\$320.00
Court Fees* - Non-Taxable	\$75.00
Agent's Fees & Disbursements	\$206.05

Date
April 22, 2022


Invoice No.
737739

File No.
113317-0004

-7-

TOTAL DISBURSEMENTS:	\$601.05
*HST is not charged	
DISBURSEMENT HST:	<u>\$26.79</u>
TOTAL FEES AND DISBURSEMENTS:	\$8,851.05
TOTAL HST:	<u>\$1,099.29</u>
TOTAL AMOUNT DUE:	<u>\$9,950.34</u>

BLANEY McMURTRY LLP



Mervyn Abramowitz
E. & O.E

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

We accept payment by cheque, Wire, VISA, Mastercard and AMEX.
To pay by Visa, Mastercard or Amex please [Click here to pay](#)
To pay by Wire: TD Canada Trust, Bank No. 004, Transit No. 10252,
General Account No. 0680-5215022 Swift Code: TDOMCATTOR
**Please ensure our invoice number, account number and/or file
number is quoted on all forms of payment.**
Contact email clientservices@blaney.com

**THIS IS EXHIBIT "C" REFERRED
TO IN THE AFFIDAVIT OF
LOU BRZEZINSKI SWORN BEFORE
ME THIS 14TH DAY OF JUNE, 2022.**

A handwritten signature in blue ink, appearing to read "Janis Balvers". The signature is written in a cursive style with a large initial "J".

A Commissioner of Oaths
Janis Balvers

HST REGISTRATION # R119444149

PRIVATE AND CONFIDENTIAL
MNP Ltd.
300 - 111 Richmond Street West
Toronto, ON M5H 2G4

Date
May 26, 2022

Invoice No.
740057

File No.
113317-0004

Attention: Jerry Henechowicz

RE: Liquidation of First Hamilton Holdings Inc.

TO ALL PROFESSIONAL SERVICES RENDERED on your behalf in connection with the above noted matter for the period ended May 26, 2022 as more particularly described below.

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>
May 10, 2022	MA	0.60	Correspondence with J. Henechowicz re: PSC claim; review motion record re: approval of proposed activities of Liquidator and Proven Claims Listing
May 11, 2022	MA	0.40	Correspondence with J. Henechowicz re: revised Claims Listing; review proposed amended distribution and R&D
May 12, 2022	MA	0.40	Correspondence and telephone conversation with J. Henechowicz re: remaining funds, distribution, further report to be filed with the court
May 16, 2022	DAH	0.20	Telephone call from Mervyn Abramowitz regarding the distribution of an additional \$100,000 that has now been received; Review the email from Mervyn Abramowitz to Jerry Henechowicz concerning the distribution;;
May 16, 2022	MA	0.60	Meet with D. Hendler re: distribution of funds to shareholders; correspondence with J. Henechowicz and set up call to discuss
May 16, 2022	MA	0.50	Call with J. Henechowicz re: leftover funds and motion to approve sending of funds to shareholders; commence preparation of Notice

Date
May 26, 2022

Invoice No.
740057

File No.
113317-0004

-2-

<u>Date</u>	<u>Lawyer</u>	<u>Time</u>	<u>Description</u>		
			of Motion		
May 18, 2022	MA	2.10	Finalize Notice of Motion re: motion to authorize and direct Liquidator to pay remaining amounts to common shareholders; send to J. Henechowicz for review; instructions to J. Balvers re: obtaining motion dates; prepare draft order re: distribution of remaining funds, revised NOM and send to J. Henechowicz for review; receipt and review correspondence of J. Henechowicz re: date for motion hearing; correspondence with J. Henechowicz re: discharge order and consequences; correspondence with G. Benchetrit re: date for motion hearing		
May 19, 2022	MA	0.40	Correspondence with J. Henechowicz and review email trail with D. Sheldon and shareholder registers re: common shareholders		
May 24, 2022	MA	0.60	Correspondence with J. Henechowicz re: shareholders and court report; revisions to Notice of Motion and draft Order; set up meeting to discuss report		
May 25, 2022	MA	2.00	Telephone conversation with J. Henechowicz and discuss process for verification of common shareholders and shareholdings; prepare draft letter to shareholders, statutory declaration and send to J. Henechowicz; further revise Notice of Motion and draft order and send to J. Henechowicz; correspondence with J. Henechowicz re: report		
OUR FEE HEREIN:					\$5,524.00
FEE HST:					\$718.12
<u>Lawyer</u>		<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Douglas A. Hendler		Partner	0.20	\$640.00	\$128.00
Mervyn Abramowitz		Partner	7.60	\$710.00	\$5,396.00
TOTAL FEES AND DISBURSEMENTS:					\$5,524.00
TOTAL HST:					<u>\$718.12</u>

Date
May 26, 2022

Invoice No.
740057

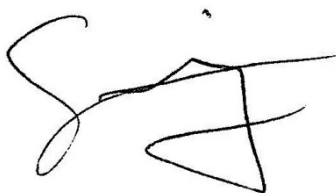
File No.
113317-0004

-3-

TOTAL AMOUNT DUE:

\$6,242.12

BLANEY McMURTRY LLP



Mervyn Abramowitz
E. & O.E

Fees may include charges for services provided by Lawco Limited.
Details are available upon request.

We accept payment by cheque, Wire, VISA, Mastercard and AMEX.
To pay by Visa, Mastercard or Amex please [Click here to pay](#)
To pay by Wire: TD Canada Trust, Bank No. 004, Transit No. 10252,
General Account No. 0680-5215022 Swift Code: TDOMCATTOR
**Please ensure our invoice number, account number and/or file
number is quoted on all forms of payment.**
Contact email clientservices@blaney.com

TAB 3

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

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

THE HONOURABLE	)	WEDNESDAY, THE 22 nd
)	
JUSTICE PENNY	)	DAY OF JUNE, 2022

**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

ORDER
(Distribution of Remaining Funds)

THIS MOTION, made by MNP Ltd. (“**MNP**”), in its capacity as the Court-appointed Liquidator (“**Liquidator**”) of the Applicants for an order:

1. approving the activities of the Liquidator, as described in the Liquidator’s Fifth Report to this Court (the “**Report**”),
2. advice and directions of the Court, and more particularly, authorizing and directing the Liquidator to contact certain persons listed on the Common Shareholder Registers of FHH (“**FHH**”

Shareholder Registers”), as well as any other potential common shareholders of FHH the FHH Liquidator may learn about or identify, and verify their status as common shareholders and their respective shareholdings, and thereafter distribute the remaining funds in the hands of the Liquidator (“**Remaining Funds**”), net of any additional professional fees and disbursements, on a pro rata basis, to the common shareholders of FHH;

3. approving the fees and disbursements of the Liquidator and its legal counsel, as set out in the fee affidavits of Jerry Henechowicz and Lou Brzezinski, respectively, including the estimated fees and disbursements of the Liquidator and its legal counsel to complete the administration of the Companies, as set out in the Report; and,

4. Such further and other relief as counsel may advise and to this Court seems just;

was heard this day via Zoom videoconference at Toronto, Ontario.

ON READING the Motion Record, including the Report, and the Fee Affidavits of Jerry Henechowicz and Lou Brzezinski, respectively (the “**Fee Affidavits**”), filed, and on hearing the submissions of counsel for the Liquidator,

1. **THIS COURT ORDERS** that the activities of the Liquidator, as described in the Report, be and are hereby approved.

2. **THIS COURT FURTHER ORDERS** that the fees and disbursements of the Liquidator and its counsel, as set out in the Report and the Fee Affidavits, including the estimated fees and disbursements to complete this matter, are hereby approved.

3. **THIS COURT FURTHER ORDERS** that the Liquidator is hereby authorized and directed to contact those persons listed on the FHH Shareholder Registers, as well as any other potential common shareholders of FHH the FHH Liquidator may learn about or identify, and verify their status as common shareholders and their respective shareholdings, and thereafter distribute the Remaining Funds, net of any additional professional fees and disbursements, on a pro rata basis, to the common shareholders of FHH.

4. **THIS COURT FURTHER ORDERS** that the Liquidator shall continue to have the benefit of all Orders made in this proceeding, including all approvals, protections, stays of proceedings and releases in favour of MNP in its capacity as Liquidator.

**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.**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

ORDER

BLANEY McMURTRY LLP
2 Queen Street East
Suite 1500
Toronto, ON M5C 3G5

Mervyn D. Abramowitz (LSO #28325R)
Tel: (416) 597-4887
mabramowitz@blaney.com

Lawyers for the Applicants, MNP Ltd., in its capacity as
Court-Appointed Liquidator of the Applicants

**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.**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
(DISTRIBUTION OF FUNDS - RETURNABLE JUNE 22, 2022)

BLANEY McMURTRY LLP
2 Queen Street East
Suite 1500
Toronto, ON M5C 3G5

Mervyn D. Abramowitz (LSO #28325R)
Tel: (416) 597-4887
mabramowitz@blaney.com

Lawyers for the Applicants, MNP Ltd., in its capacity as
Court-Appointed Liquidator of the Applicants