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

MOTION RECORD OF THE LIQUIDATOR

(MOTION FOR DISSOLUTION AND DISCHARGE
RETURNABLE MARCH 2, 2022)

February 23, 2022

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Applicants

I N D E X

Tab	Document	Page Number
1	Notice of Motion returnable March 2, 2022	1 - 8
2	Fourth Report of MNP Ltd. with appendices dated October 25, 2021	9- 27
A	Winding Up Order dated May 21, 2020	28 - 44
B	Representative Counsel Appointment Order dated August 6, 2020	45 - 55
C	Claims Procedure Order dated March 2, 2021	56 - 67
D	Redacted Settlement Term Sheet dated July 9, 2021	68 - 75
E	Settlement Approval Order dated July 30, 2021	76 - 93

F	Third Report of the FHH Liquidator dated October 25, 2021	94 -111
G	Corollary Relief Order dated November 1, 2021	112 - 115
H	Claims Procedure Order dated November 1, 2021	116 - 141
I	Notice to Creditors of the Claim Process published November 5, 2021 in the Globe and Mail Newspaper (National Edition)	142 - 143
J	Claims Document Package prepared by the FHH Liquidator and its Counsel	144 - 151
K	Proven Claims Listing	152 - 153
L	PSC Claim filed by the FHH Liquidator January 12, 2022	154- 165
M	Disallowance of the PSC Claim by the Trustee dated January 19, 2022	166 - 168
N	The Liquidator's Statement of Receipts and Disbursements from May 14, 2020 to February 16, 2022	169 - 170
O	Affidavit of Jerry Henechowicz sworn February 22, 2022	171 - 185
P	Affidavit of Lou Brzezinski, sworn February 23, 2022	186 - 203
3	Draft Order (Dissolution and Discharge Liquidator)	204 - 209
4	Draft Order, black-lined against Model Discharge Order	210 - 213

TAB 1

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Applicants

NOTICE OF MOTION

(DISSOLUTION AND DISCHARGE LIQUIDATOR RETURNABLE MARCH 2, 2022)

MNP Ltd. ("**MNP**" or the "**Liquidator**"), in its capacity as Liquidator of the estate and effects of the Applicants, First Hamilton Holdings Inc. ("**FHH**"), First Hamilton Financial Services Inc. ("**FHFS**"), First Hamilton General Partner 2 Inc. ("**FHGP2**"), First Hamilton Capital Inc. ("**FHC**"), First Hamilton Mortgage Brokers Inc. ("**FHMB**") (collectively the "**FHH Entities**" or "**Companies**"), will make a motion to a Judge presiding over the Commercial List on Friday, the 2nd day of March, 2022 at 10:00 a.m. 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 orally 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:

(a) 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 March 2, 2022;

(b) 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 by the Liquidator of a claim in a related proceeding, 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 Companies, all as described in the Report;

(c) dissolving the Companies;

(d) approving the fees and disbursements of the Liquidator and its legal counsel, as set out in the fee affidavits of Jerry Henechowicz and Douglas Hendler, 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;

(e) 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;

(f) 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,

(2) 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" through its accounts at Pace Securities Corporation ("**PSC**");

(2) almost all of FHH's investors were retail investors, and many of its investors are also customers of PSC and Pace Savings and Credit Union Ltd. ("**PCU**"). PSC provided brokerage, investment and business management services to FHH;

(3) further, many of the investors are elderly and were led to believe by representatives of PSC and PCU that they would be investing much of their retirement funds in low risk investments and were so encouraged by the said representatives to purchase the investments;

(4) based on the facts set out above, the proposed investments were not suitable for the investors;

(5) as a result of various facts and circumstances, the bonds lost most of their value, and the investments became virtually worthless;

(6) on May 21, 2020, pursuant to an order of this Court (the "**Appointment Order**"), MNP Ltd. ("**MNP**") was appointed liquidator of the estate and effects of a number of related entities, including FHH (the "**Liquidator**");

(7) on August 6, 2020, pursuant to a further order of this Court, the law firm of Paliare Roland Rosenberg, Rothstein LLP was appointed Representative Counsel to represent the interests of the investors;

(8) on March 2, 2021, the Court ordered a process for the resolution of the investors' claims, which process included a mediation to try to achieve a comprehensive settlement of all such claims;

(9) the process was successful and on July 30, 2021, this Court approved the settlement of the claims of the investors;

(10) the settlement has been concluded, with the payment of the settlement funds by the settling parties, and the distribution of the settlement funds to the investors;

(11) on November 1, 2021, this Court authorized and ordered a claims procedure (the "**Claims Procedure Order**") to provide for the identification, solicitation, resolution and barring of any claims against the Applicants, and also provide for the distribution of any available funds in respect of any proven claims against the Companies;

(12) the Liquidator has, to date, received * claims against FHH totaling $* and no claims against any of the other Companies;

(13) the Liquidator also filed a claim (the "**PSC Claim**") on behalf of FHH against PSC in the bankruptcy estate of that entity, alleging that PSC had breached its contract

with FHH, breached its fiduciary duties to FHH and had acted negligently toward FHH;

(14) the PSC claim was disallowed by PSC's trustee in bankruptcy;

(15) the Liquidator made the determination not to appeal the disallowance of the PSC Claim, but nonetheless, provided notice to several of FHH's stakeholders with a view to having one or more of them come forward and take an assignment of the Liquidator's rights in respect of the PSC Claim;

(16) no one has come forward to seek an assignment of the Liquidator's rights in the PSC Claim;

(17) pursuant to the Claims Procedure Order, the Liquidator continues to hold certain additional funds and intends to distribute those to FHH's creditors, following which there will be no further assets under the control of the Liquidator;

(18) other than the distribution of the remaining funds in the hands of the Liquidator, and the payment of professional fees, there are no further matters to complete, and the business and affairs of the Companies will have been completely wound up, as provided for in the Appointment Order;

(19) it is therefore appropriate that the Court order the dissolution of the Companies and approve the activities and proposed activities of the Liquidator to finalize the winding up of the Companies;

(20) 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;

(21) the Liquidator and its legal counsel have incurred professional fees and disbursements and the Liquidator seeks approval of the said fees to date;

(22) the Liquidator is of the view that the said fees and disbursements are reasonable;

(23) the Appointment Order, and the Claims Procedure Order;

(24) section 218 of the Ontario Business Corporations Act; and,

(25) 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 Fourth Report of the Liquidator, dated February 23, 2022, and the appendices attached thereto;

(2) the Fee Affidavits of Jerry Henechowicz sworn February 22, 2022, and Lou Brzezinski sworn February 23, 2022; and,

(3) such further and other material as counsel may advise and this Court permit.

February 23, 2022

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TAB 2

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Applicants

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

February 23, 2022

TABLE OF CONTENTS

Introduction	4
Background	4-5
Legal Proceedings	5-9
Purposes of this Fourth Report	9-10
Terms of Reference	10-11
Asset Realizations	11-12
Claims Process	12-13
Claim Against Pace Securities Corp	13-14
Interim Statement of Receipts and Disbursements	15
Professional Fees and Disbursements	15-16
Remaining Administrative Matters	16
Dissolution of the Companies	16-17
Discharge of the FHH Liquidator	17
Recommendations	18

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 dated March 2, 2021
Appendix “D”	-	Redacted Settlement Term Sheet dated July 9, 2021
Appendix “E”	-	Settlement Approval Order dated July 30, 2021
Appendix “F”	-	Third Report of the FHH Liquidator dated October 25, 2021
Appendix “G”	-	Corollary Relief Order dated November 1, 2021
Appendix “H”	-	Claims Relief Order dated November 1, 2021
Appendix “I”	-	Notice to Creditors of the Claim Process published November 5, 2021 in the Globe and Mail Newspaper (National Edition)
Appendix “J”	-	Claims Document Package prepared by the FHH Liquidator and its Counsel
Appendix “K"	-	Proven Claims Listing
Appendix “L”	-	PSC Claim filed by the FHH Liquidator January 12, 2022
Appendix “M”	-	Disallowance of the PSC Claim by the Trustee dated January 19, 2022
Appendix “N”	-	The Liquidator’s Statement of Receipts and Disbursements from May 14, 2020 to February 16, 2022
Appendix “O”	-	Affidavit of Jerry Henechowicz sworn February 22, 2022
Appendix “P”	-	Affidavit of Lou Brzezinski, sworn February 23, 2022

INTRODUCTION

1. This fourth report (the "**Fourth 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"**.

BACKGROUND

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. 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 ("**PCU**"), and many were also customers of PSC.

5. Further, many of the investors are elderly and advised that they were led by representatives of PSC and PCU to believe that they would be investing much of their retirement funds in low risk investments and were so encouraged by the said representatives to purchase the investments.

6. Based on the facts set out above, the proposed investments were not suitable for the investors.

7. As a result of various facts and circumstances, the bonds lost most of their value, and the investments became virtually worthless.

8. PSC also provided brokerage, investment and business management services to the FHH Entities.

9. PSC did not actually hold its customers' cash and securities itself. Rather, PSC was registered with the Investment Industry Regulatory Organization ("**IIROC**") as a Type 2 "introducing broker", and as such, PSC contracted its back-office functions to a "carrying broker".

10. PSC's carrying broker was Laurentian Bank Securities ("**LBS**"). LBS was therefore the custodian of the securities and cash of FHH's investors.

11. 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.

12. 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.

13. FHH had one active subsidiary, FHFS, which operated as a mortgage broker.

LEGAL PROCEEDINGS

14. 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 ("**PIB**") and Pace General Partner Limited ("**PGPL**") (collectively the "**PSC Companies**") (the "**PSC Appointment**

Order"). Pursuant to the PSC Appointment Order, all of the PSC Companies' employees were terminated.

15. 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.

16. On July 31, 2020, the FHH Liquidator filed its first report dated (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**").

17. At that time, other than the relatively minor recoveries from the sale of the office furniture and equipment belonging to FHH, MNP had not recovered any funds, and thus did not have any funds with which to conduct any further investigations or to commence litigation to try to recover any funds, and in particular, with respect to potential claims against FHH's directors and officers or anyone else (the "**Potential Claims**"), who may have been liable to FHH for conduct or activities that gave rise to damages.

18. As a result, in mid-June 2020, MNP contacted Paliare Roland to discuss whether it would be prepared to consider pursuing the Potential Claims on a contingency fee basis.

19. Following further discussions with Paliare Roland, as well as further discussions with some of the various investors/ retirees who had purchased FHH Preference Shares, it was agreed

that, given the large number of investors (the "**Investor Claimants**") and the potential complexity of the Potential Claims, it would be best to have Paliare Roland seek an appointment as Representative Counsel for the Investor Claimants.

20. 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"**.

21. 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**") the Investor Claimants' claims (the "**Investor Claims**").

22. With the assistance of the Mediator, Representative Counsel and various parties finalized agreed upon terms of settlement resolving substantially all of the Investor Claims, subject to court approval (the "**Settlement**"), as evidenced by the redacted Settlement Term Sheet dated July 9, 2021 attached hereto as **Appendix "D"** (the "**Settlement Term Sheet**").

23. The Settlement resulted in monetary compensation totaling $40 million (the "**Settlement Amount**") to be paid to the Investor Claimants in exchange for the release of claims certain Settling Parties, being PCU, 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**").

24. The Liquidator filed its Second report dated July 21, 2021 (the "**Second Report**") to provide the Court with information regarding, *inter alia*:

    a. the position of Investor Claimants and other potential creditors of the FHH Entities;

    b. the terms of the Settlement Term Sheet and provide the Liquidator's rationale in support of the Settlement; and

c. support for Representative Counsel's request for an order(s), among other things, approving the Settlement.

25. The FHH Liquidator supported the approval of the Settlement by the Court for the following principal reasons:

the relevant parties appear to have participated in the Mediation Process in good faith;

a. the Settlement was arrived at expeditiously;

b. the magnitude of the payment amount under the Settlement estimated by Representative Counsel to exceed 70% is significant, as compared to the nominal recoveries from these proceedings absent the Settlement;

c. as reported by Representative Counsel, and as set out above, 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;

d. the alternative to the Settlement was protracted and expensive litigation of factually and legally complex claims by the Investor Claimants; and,

e. approval of the Settlement would allow the Court Appointed Liquidators to proceed with completion of the administration of the winding-up proceedings.

26. On July 30, 2021, by order of the Honourable Justice Koehnen, the Court approved the Settlement (the "**Settlement Approval Order**"), a copy of which order is attached hereto as **Appendix "E"**.

27. On September 27, 2021, Representative Counsel served its Motion Record (returnable October 18, 2021) (the "**Motion Record**") in support of its motion for approval of its fees and disbursements and the allocation and distribution of the Settlement Funds (as defined in the Settlement Approval Order).

28. On October 19, 2021, by order of the Honourable Justice Penny, the Court, among other things, approved Representative Counsel's fees and disbursements and its proposed allocation and distribution of the settlement proceeds amongst the Investor Claimants.

29. In light of 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.

30. On October 25, 2021 the FHH Liquidator served its third report dated October 25, 2021 (the "**Third Report**") and provided the Court with information relating to the FHH Liquidator's motion seeking, among other things, court approval of a claims process for the FHH Entities.A copy of Third Report (without Appendices) is attached as **Appendix "F".**

31. On November 1, 2021, the Court issued a corollary relief order (the "**Corollary Order**") and a claims procedure order (the "**Claims Procedure Order**") providing, amoung other things, the relief sought by the FHH Liquidator as set out above. A copy of the Corollary Order and Claims Procedure Order are attached hereto as **Appendices "G"** and **"H"**, respectively.

PURPOSES OF THIS FOURTH REPORT

32. The purpose of this the Liquidator's fourth report (the "**Fourth Report**") is to:

a. provide the Court with information with respect to the FHH Liquidator's activities since the Third Report, including:

(i) the completion and results from the claims process (the "**Claims Process**") as set out in the Claims Procedure Order;

(ii) the proposed distribution of the residual funds from the net asset realizations after completion of the FHH Liquidator's administrative matters;

b. seek approval of the FHH Liquidator's interim statement of receipts and disbursements dated February 16, 2022 (the "**R&D**");

c. advise as to the remaining matters to be undertaken by the FHH Liquidator to complete the liquidation and winding up of the Companies;

d. seek an order of the Court:

(i) dissolving the Companies, and providing that the FHH Liquidator may file a copy of the said order with the Director of the Ontario Ministry of Government Services (the "**Ministry**");

(ii) approving the professional fees and disbursements of the FHH Liquidator and its legal counsel Blaney, including the estimated fees and disbursements required to complete the within proceeding;

(iii) discharging MNP as FHH Liquidator, but providing that, notwithstanding its discharge herein, the FHH 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 receivership herein, and

(iv) releasing and discharging MNP from any and all liability, save and except for any gross negligence or willful misconduct on the Liquidator's part.

TERMS OF REFERENCE

33. In preparing this Fourth 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 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.

34. 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 Liquidator expresses no opinion or other form of assurance in respect of the Information.

35. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

36. Capitalized terms not defined in the Second Report have the meaning ascribed to them in the Appointment Order.

37. The FHH Liquidator will make a copy of this Fourth Report, and related documents, available on the FHH Liquidator's website at www.mnpdebt.ca/firsthamilton.

ASSET REALIZATIONS

38. Immediately prior to the date of FHH Liquidator's appointment, LBS took possession of the FHH Securities pursuant to the terms of its margin and security agreements with FHH

and PSC. 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.

39. In or around late May 2021, LBS advised the FHH Liquidator that it had liquidated a sufficient portion of the FHH Securities to fully retire FHH's margin debt to LBS and that LBS would release the balance of the FHH Securities in its possession to the FHH Liquidator.

40. The FHH Liquidator then made arrangements with LBS for it to liquidate the remaining FHH Securities in LBS's possession. The liquidation of FHH Securities resulted in a net realization totalling $978,797.73, which sum was remitted to the FHH Liquidator.

41. LBS has advised that realizations from the FHH Securities are now complete.

42. Other the recovery from the FHH Securities set out above, approximately $30,000 was recovered from the sale of FHH's office furniture and equipment, $5,000 on deposit with the Companies' counsel and a refund of a prepaid expense, realizations are complete and total $1,015,761.10.

CLAIMS PROCESS

43. In accordance with the Claims Process Order, the FHH Liquidator implemented the Claims Process, and in particular, the following steps were undertaken:

    a. Based on a review of the Companies books and records, discussions and correspondence with the Companies' former directors, officers and legal counsel as well as other information available to the FHH Liquidator and its counsel, a list of all potential creditors was prepared (the "**Creditors List**");
    b. On November 5, 2021, Notice to Creditors of the Claim Process was published in the Globe and Mail Newspaper (National Edition). A copy of the Notice is attached as **Appendix "I";**
    c. the Claims Document Package was prepared by the FHH Liquidator and its counsel, along with the Claims Procedure Order, and the Motion Record was

posted on the FHH Liquidator's website. A copy of the Claims Document Package is attached as **Appendix "J";**

d. on November 12, 2021, the Claims Document Package was sent to all parties on the Creditors List by regular mail and email. The Claims Document Package was subsequently sent by regular mail and email to any potential creditors not included in the creditor list that notified the FHH Liquidator; and

e. as necessary the FHH Liquidator assisted creditors in the completion of their claim.

44. Prior to the January 31, 2022, 5:00 pm, Toronto Time (the "**Claims Bar Date**") 9 proofs of Claims were filed (the "**Claims**"). Following further review of the Claims and as necessary review of the supporting documentation with various creditors, all of the Claims filed totalling $545,012.24 were accepted as valid proven claims (the "**Proven Claims**"). A listing of the Proven Claims (the "**Proven Claims Listing**") is attached as **Appendix "K".**

45. The FHH Liquidator is of the view that the proposed Claims Process provided sufficient notice and time for creditors to file proofs of claim and that the Proven Claims Listing attached as Appendix "K" fully represents all Proven Claims that exist against the Companies.

CLAIM AGAINST PACE SECURITIES CORP.

46. As noted above, FHH operated as an investment corporation, and PSC acted as its portfolio manager. In that regard, PSC made substantially all decisions as to which securities to purchase and sell on behalf of FHH's investors. In addition, PSC arranged FHH margining facility with LBS.

47. As also noted above, the resulting losses on those investments led many of the Investor Claimants to retain the firm of Paliare Roland to try to recover some of their losses on their respective investments.

48. That led to the Settlement referenced above wherein the Investor Claimants were able to recover a large part of their original investments.

49. However, in the course of these proceedings, certain other investors, who did not become Investor Claimants, or who were not eligible to participate in the Settlement as Investor Claimants, advised the FHH Liquidator that it ought to pursue PSC for the additional losses suffered by FHH.

50. In the circumstances, the FHH Liquidator deemed it prudent to prepare and file a claim against PSC.

51. In the course of the preparation of the claim against PSC (the "**PSC Claim**"), PSC was adjudged bankrupt and Ernst & Young Inc. was appointed Trustee of the estate.

52. On January 12, 2022, the FHH Liquidator filed the PSC Claim with the Trustee. Attached as **Appendix "L"** is a copy of the PSC Claim.

53. On January 19, 2022, the Trustee disallowed the PSC Claim. Attached as **Appendix "M"** is a copy of the Trustee's disallowance.

54. Having reviewed the matter further, the FHH Liquidator decided that it was not economically practical or otherwise worth pursuing the PSC Claim further, and thus decided not to proceed with an appeal of the said disallowance.

55. In particular, the FHH Liquidator considered the amount of time and the likely cost involved in pursuing the PSC Claim, and the fact that any such costs would come out of the funds available for distribution to the remaining creditors and the stakeholders themselves.

56. However, given the fact that some persons had expressed an earlier interest in the FHH Liquidator pursuing the PSC Claim, the FHH Liquidator decided to provide notice of the PSC Claim to various stakeholders, with a view to canvassing their interest, if any, in acquiring the FHH Liquidator's rights in the PSC Claim.

57. No one came forward to the FHH Liquidator with any proposal in that regard, and the appeal period in respect of the disallowance of the PSC Claim has now expired.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

58. Attached hereto as **Appendix "N"** is the Liquidator's Statement of Receipts and Disbursements (the "**R&D Statement**") for the period from May 14, 2020 to February 16, 2022 which reflects receipts over disbursements of $568,521.00. The R&D Statement details individual receipt and disbursement line items.

PROFESSIONAL FEES AND DISBURSEMENTS

FHH Liquidator's Fees and Disbursements

59. The FHH Liquidator's accounts up to October 22, 2021 totaling $159,223.20 inclusive of HST were approved by the Court on November 1, 2021. MNP has since that time issued 2 additional invoices totaling $52,536.00inclusive of HST. Attached as **Appendix "O"** is the affidavit of Jerry Henechowicz sworn February 22, 2022 describing the aforementioned fees and disbursements of the FHH Liquidator.

60. In addition, the FHH Liquidator estimates that its fees, disbursements and applicable HST to the completion of the administration of this proceeding will not exceed $20,000.00.

61. All of MNP's fees and disbursements were properly incurred and are properly chargeable to the Estate.

Legal Fees and Disbursements

62. Blaney has acted as independent legal counsel to the FHH Liquidator since its appointment. Blaney's accounts for the period May 21, 2020 to September 30, 2021 totaling $147,485.52, inclusive of HST were also approved by the Court on November 1, 2021. Blaney has subsequently issued X accounts totaling X inclusive of disbursements and HST (the "**Blaney Accounts**"). Attached as **Appendix "P"** is the affidavit of Lou Brzezinski, sworn February 23, 2022 describing the aforementioned fees and disbursements of Blaney and attaching copies of the Blaney Accounts.

63. In addition, the Blaney estimates that its fees, disbursements and applicable HST to the completion of the administration of this proceeding will not exceed $10,000.

64. 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.

REMAINING ADMINISTRATIVE MATTERS

65. The FHH Liquidator's administration of the Companies' liquidation is now substantially complete. However there remain a number of minor administrative duties to be performed, including:

a. payment of any remaining expenses and filing of any outstanding statutory filings due to CRA;
b. payment of the final accounts of the FHH Liquidator and Blaney; and,
c. distribution of the remaining funds held by the FHH Liquidator to the Proven Creditors on a prorata basis as set out above.

DISSOLUTION OF THE COMPANIES

66. Section 218 of the OBCA also provides that the Court may issue an order dissolving a corporation. The FHH Liquidator believes it is appropriate for this Honourable Court to issue an order at this time dissolving the Companies as:

a. there are no claims against the Companies or any of its present and former directors and officers, other than those identified in the Claims Process, as noted above;
b. the Claims Process has been completed in accordance with the Claims Procedure Order and has identified any and all creditors of the Companies which will be settled as proposed by the FHH Liquidator in paragraphs 37 to 39 above. In

addition, CRA has been properly served with notice of this motion and the relief being sought

c. the FHH Liquidator has carried out all of its duties and obligations pursuant to the Appointment Order and Claims Procedure Order;

d. subject to making the final distributions noted above, there will be no further distributions to be made to the Proven Creditors and any other stakeholders and there no additional monies anticipated to be received as all assets have been realized upon; and

e. subject to completing the remaining administrative matters noted above, it is the FHH Liquidator's view that the Companies' affairs will have been fully wound up and the winding-up of the Companies will be completed once the Companies are dissolved.

67. Upon the issuance of an order dissolving the Companies, the FHH Liquidator will then attend to filing a certified copy of the said order with the Director of the Ministry, as required by the statute.

DISCHARGE OF THE LIQUIDATOR

68. Once it has completed its remaining administrative matters, as set out above, it is appropriate that the FHH Liquidator be discharged from its obligations under the Winding Up Order.

69. The Liquidator therefore recommends that the Court order that the Liquidator be discharged, subject to completing its remaining administrative obligations as set out above.

RECOMMENDATIONS

70. For the reasons enumerated above, the FHH Liquidator respectfully asks this Court to grant the relief set out in the Notice of Motion.

All of which is respectfully submitted this 23rd day of February, 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:

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

APPENDIX A

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	THURSDAY, THE 21st DAY
	)	
JUSTICE HAINEY	)	OF MAY, 2020

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

AND IN 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~~. MAY 21, 2020. THE ORDER DOES NOT HAVE TO BE ENTERED.

Hainey J.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 22 2020

PER / PAR: CL

SCHEDULE "A"

LIQUIDATOR'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

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

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

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

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

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

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

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

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

DATED the _____ day of _____, 20__.

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

Per: _____

Name:

Title:

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

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

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

Applicants

Court File No. •CV-20-00641372-00CL

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: lcorne@dickinsonwright.com
Tel: (416) 646-4608
Fax: (416) 865-1398

Lawyers for the Applicants

APPENDIX B

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	THURSDAY, THE 6TH 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

ORDER

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

("**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:

(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

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 orelsewhere, 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.

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.

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.

APPENDIX C

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

ORDER

(Procedure for the Resolution of Investor Claims)

THIS MOTION made by Paliare Roland Rosenberg Rothstein LLP in its capacity as representative counsel for the Investor Claimants ("**Representative Counsel**") for an order establishing a process for the resolution of claims of Investor Claimants in respect of their acquisition of the preferred shares of PACE Financial Limited and First Hamilton Holdings Inc. (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**"), was heard this day via Zoom conference at Toronto, Ontario.

ON READING the motion record of the moving party, the Court Appointed Liquidator's Third Report, the consent of Pace Savings & Credit Union Ltd. by its Administrator, Financial Services Regulatory Authority of Ontario (the "**Credit Union**"),

and on hearing the submissions of counsel for the moving party, the Credit Union, and the Court Appointed Liquidators, and certain potential defendants to the Preferred Shareholder Claims, no one else appearing,

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 in this order the capitalized terms below shall have the indicated meanings, and that capitalized terms not otherwise defined in this order shall have the meaning given to them in the Representative Counsel Order:

    a. "**Claims Adjudication Process**" means the expedited process to be determined by this Court following the Claims Adjudication Start Date after receiving any evidence and hearing submissions from the Representative Counsel, the Court Appointed Liquidators and Interested Parties and receiving any recommendation from the Mediator, which process will feature documentary and oral discoveries, as appropriate, and fixed trial dates, and which is intended to result in the adjudication of any outstanding Preferred Shareholder Claims and Related Claims by no later than 9 months after the Claims Adjudication Start Date, subject to paragraphs 4, 7(g) , any order made pursuant to paragraph 11 below and the further order of this Court.

    b. "**Claims Adjudication Start Date**" means the date that is the earlier of (i) the date so designated by the Mediator, and (ii) the date that is 6 months from the Mediation Start Date or such later date as Representative Counsel, the Interested Parties and the Court Appointed Liquidators may jointly agree.

    c. "**Claims Brief**" means a briefing book prepared by Representative Counsel containing unissued pleadings on behalf of the Investor Claimants, describing, so far as possible having regard to the information available to

them at the time of its preparation, the Preferred Shareholder Claims, including, without limitation, the amount of the claims, the individuals against whom the claims are asserted, a concise statement of the material facts alleged in support of the claims and the cause of action advanced, and any relevant point or conclusion of law, and Representative Counsel may, in its discretion, include in the Claims Brief such evidence as it determines may be helpful to the resolution of the Preferred Shareholder Claims;

d. "**Court Appointed Liquidators**" means the PSC Liquidator together with the FHH Liquidator or either of them, as the context requires;

e. "**Document**" means anything within the scope of Rule 30.01 of the Ontario *Rules of Civil Procedure*;

f. **"FHH Liquidator"** means 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.;

g. **"FSRA"** means the Financial Services Regulatory Authority of Ontario;

h. "**Interested Party**" means every person against whom a Preferred Shareholder Claim is asserted in the Claims Brief or who is named in a Responding Brief for the purposes of a Related Claim, and such other persons whom the Mediator may, in his discretion, identify, provided, for the avoidance of doubt, that the Investor Claimants, Representative Counsel, the Court Appointed Liquidators, and FSRA are not an Interested Party for the purposes of this order without further leave of this Court.

i. "**Mediation Process**" means the process established by the Mediator for the purpose of facilitating the resolution of the Preferred Shareholder Claims;

j. "**Mediation Start Date**" means the date that is designated by the Mediator, no less than 30 days and no more than 60 days following the date of the delivery of the Claims Brief to the Mediator by Representative Counsel pursuant to this order;

k. "**Mediator**" means Mr. Joel Wiesenfeld;

l. "**PSC Liquidator**" means 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;

m. "**Related Claim**" means any claim identified in a Responding Brief;

n. "**Representative Counsel Order**" means the order made in these proceedings dated August 6, 2020, appointing representative counsel for the Investor Claimants; and,

o. "**Responding Brief"** means a briefing book prepared by an Interested Party describing, so far as possible having regard to the information available to them at the time of its preparation, the Interested Party's defences, counter-claims, cross-claims and third party claims, including, without limitation, the amount of any claims, the Interested Parties against whom the claims are asserted, a concise statement of the material facts alleged in support of the defences and claims, and any relevant point or conclusion of law, and an Interested Party may, in its discretion, include in the Responding Brief such evidence as it determines may be helpful to the resolution of the Preferred Shareholder Claims or Related Claims identified in any Responding Brief.

3. **THIS COURT ORDERS** that the Mediator is hereby appointed to attempt to facilitate the resolution of the Preferred Shareholder Claims and any Related Claims.

4. **THIS COURT ORDERS** that the Mediator's primary objective is to achieve, if possible, a comprehensive settlement of all Preferred Shareholder Claims and Related Claims, but that where the Mediator is satisfied that attainment of that objective is not possible, the Mediator may seek to facilitate partial settlements, and shall seek to obtain agreement with respect to the Claims Adjudication Process, and the participants in the Mediation Process shall work together and with the Mediator, in good faith, to attain these objectives.

5. **THIS COURT ORDERS** that Representative Counsel shall in due course prepare the Claims Brief and, no later than 20 days after the making of this Order, shall deliver a copy of this order and the Claims Brief to the Mediator, the Court Appointed Liquidators, FSRA, and to every Interested Party, with a covering letter specifically directing their attention to the mandatory obligations created by paragraphs 15 and 16 of this order, as follows: where they have filed a Notice of Appearance or are otherwise on the Service List in these proceedings, by email to the recipient's counsel of record or to the recipient if they are self-represented; where they have not filed a Notice of Appearance and are not on the Service List in these proceedings, , to the last known email address that is recorded in records of the Court Appointed Liquidators, provided that the Liquidators do not have reason to believe that the email address is no longer active; where they have not filed a Notice of Appearance and are not on the Service List in these proceedings, and where there is no known active email address, by regular mail to the last known municipal mailing address of the recipient that is recorded in records of the Court Appointed Liquidators; or, as this Court may otherwise direct.

6. **THIS COURT ORDERS** that following the Mediator's review of the Claims Brief, the Mediator shall consult with each of Representative Counsel, the Court Appointed Liquidators, and every other Interested Party, and shall thereafter establish and implement the Mediation Process, provided that the Mediation Process shall not commence before the Mediation Start Date.

7. **THIS COURT ORDERS** that, for the purpose of determining and implementing the Mediation Process, the Mediator is hereby empowered to do all such things as the Mediator believes would be helpful to the resolution of the Preferred Shareholder Claims and Related Claims, including, without limitation:

    a. requiring Interested Parties to participate in the Mediation;

    b. requiring the delivery of Responding Briefs;

    c. requiring the production of any insurance policies that may respond to the claims at issue and the amount and status of coverage under the policy;

    d. facilitating agreement of the participants in the Mediation Process on a document production protocol, including a timely and efficient process to resolve any disputed assertions of privilege in respect of any Documents, and, if necessary, compelling the production of Documents from participants in the Mediation Process, including the Investor Claimants, provided that the production of Documents at the direction of the Mediator is without prejudice to the producing party's right to seek a ruling of the court in any civil proceeding as to the relevance and/or privileged nature of any such Documents produced and any attendant or other relief associated with any such ruling;

    e. meeting with Representative Counsel, the Court Appointed Liquidators, the Interested Parties, and FSRA, either privately or in groups;

    f. imposing obligations as to the confidentiality of information exchanged in respect of the Mediation Process in addition to those obligations set out in this order; and,

    g. making recommendations to this Court in respect of the Claims Adjudication Process, but such recommendations shall not be binding on this Court.

8. **THIS COURT ORDERS** that the Mediator may apply to this Court on notice to the Representative Counsel, any Interested Parties, the Court Appointed

Liquidators, and FSRA for advice and direction as he determines is necessary from time to time.

9. **THIS COURT ORDERS** that the Mediator's costs shall be paid by the Interested Parties in the proportions to be agreed by them in consultation with the Mediator, and, in the absence of agreement, the Mediator shall apportion the costs as he thinks fair and reasonable having regard to the issues raised in such consultation, provided that the Mediator's total costs apportioned in this way shall not exceed $100,000. If the Mediator's total costs are estimated to exceed $100,000, the parties to the mediation may agree to an arrangement to pay such costs or terminate the Mediation Process.

10. **THIS COURT ORDERS** that the Mediator shall not be liable to any party or participant for any act or omission in connection with the Mediation Process and shall have the immunity of a Judge of a Superior Court in Canada.

11. **THIS COURT ORDERS** that following the Claims Adjudication Start Date, the Court Appointed Liquidators or Representative Counsel, as appropriate, shall bring a motion to this Court, on no less than 7 days notice, for an order establishing the Claims Adjudication Process in respect of all Preferred Shareholder Claims and any Related Claims that remain unresolved at that time.

12. **THIS COURT ORDERS** that, notwithstanding anything else in this order, FSRA shall be entitled, but not required, to participate in the Mediation Process, either in whole or in part, for the purpose of observing and facilitating the Mediation Process; for greater certainty, FSRA shall not be an Interested Party within the meaning of this order without leave of this Court.

13. **THIS COURT ORDERS AND DECLARES** that, subject to any direction of the Mediator or further order of this Court, the Court Appointed Liquidators have a facilitative role to play in respect of preparation of the Claims Brief, the preparation of the Responding Briefs, the Mediation Process, and the Claims

Adjudication Process, including, without limitation, through the production of non-privileged Documents and other relevant information to Representative Counsel and to the Interested Parties in accordance with the terms of the Document production protocol established pursuant to paragraph 7(d), above, and, accordingly, the Court Appointed Liquidators, acting in consultation with the Mediator and subject to such terms as to costs or otherwise as the Court Appointed Liquidators may in their discretion require, are hereby authorized to:

a. establish one or more electronic data rooms to facilitate the transmission of relevant information to Representative Counsel and Interested Parties;

b. populate the electronic data rooms with such non-privileged Documents and information as determined to be relevant pursuant to the terms of the Document production protocol established in paragraph 7(d) above;

c. gather non-privileged information, and produce reports to be shared with Representative Counsel and/or the Interested Parties as the Mediator requests and directs; and,

d. render such other assistance to the Mediator as he may require,

provided, for greater certainty, that nothing in this paragraph shall detract from any powers or protections granted to the Court Appointed Liquidators by any prior orders of this Court.

14. **THIS COURT ORDERS AND DECLARES** that the exclusion of the Court Appointed Liquidators from the definition of “Interested Party” and their role pursuant to paragraph 13, above, shall not prejudice a party’s right to bring a Related Claim against Pace Securities Corp., Pace Financial Limited, Pace Insurance Brokers Limited, Pace General Partner Limited, 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., or any of their directors or officers.

15. **THIS COURT ORDERS AND DECLARES** that the Claims Brief, Responding Briefs and all other briefs, reports and communications exchanged in the course of the Mediation Process shall have the same privileges as pleadings in a Superior Court in Canada for the purpose of any defence to a potential future claim for libel or defamation arising therefrom.

16. **THIS COURT ORDERS AND DECLARES** that the Claims Brief, Responding Briefs, all other briefs, reports and communications exchanged as part of the Mediation Process, and the Mediator's notes and records shall be deemed to be without prejudice settlement discussions, and shall not be disclosed to or discussed with this Court or any third parties not participating in the Mediation Process, and shall not be used for any purpose other than the Mediation Process.

17. **THIS COURT ORDERS AND DECLARES** that any and all information or documents, including, but not limited to, briefs, Documents and submissions, which come into FSRA's possession by way of the Mediation Process (the "Mediation Information") shall not be disclosed by FSRA to any other regulatory agency, authority or body, wherever located, whether pursuant to an information sharing protocol, memorandum of understanding, or otherwise, provided that nothing herein prejudices the right of an individual to provide information available to it outside of the Mediation Process to FSRA or any right that FSRA may have to compel the production of information outside of the Mediation Process.

18. **THIS COURT ORDERS AND DECLARES,** for greater certainty, that, notwithstanding the pendency of the Mediation Process but subject to compliance with paragraph 16 of this order, participants in the mediation remain at liberty to seek relief from this court in respect of any matter relevant to these proceedings.

19. **THIS COURT ORDERS AND DECLARES** that an Interested Party that was not provided with notice of the motion giving rise to this order may move to vary or

set aside this Order as it applies to that Interested Party on not less than 7 days notice to Representative Counsel, the Interested Parties, and the Court Appointed Liquidators, provided that notice of their motion to vary or set aside shall be given no later than 10 days after delivery to them of the Claims Brief, Responding Brief or other notice that they are an Interested Party.

_____ J.

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER
(Procedure for the Resolution of Investor Claims)

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Representative Counsel

APPENDIX D

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 SHEET[1]

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 Claimants[2] 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

Soloman Lam 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

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

APPENDIX E

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	FRIDAY, THE
	)	
JUSTICE KOEHNEN	)	30th 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 SHEET[1]

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 Claimants[2] 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

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[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

Soloman Lam 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

EXECUTION COPY

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

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

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

SETTLEMENT APPROVAL ORDER

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Representative Counsel

APPENDIX F

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

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

October 25, 2021

TABLE OF CONTENTS

Introduction	4
Background	4-5
Legal Proceedings	5-11
Purposes of this Third Report	11
Terms of Reference	12-13
Asset Realizations	13
Claims Process	14-15
Statement of Receipts and Disbursements	15
Professional Fees and Disbursements	15-16
Recommendations	16

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"	Redacted Settlement Term Sheet dated July 9, 2021
Appendix “E”	Settlement Approval Order dated July 30, 2021
Appendix “F”	Liquidator’s Statement of Receipts and Disbursements to October 22, 2021
Appendix “G”	Affidavit of Jerry Henechowicz sworn October 24, 2021
Appendix “H”	Affidavit of Lou Brzezinski sworn, October 25, 2021

INTRODUCTION

1. This third report (the "**Third 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"**.

BACKGROUND

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. 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 and are retail investors, many of whom were also members of the related entity PACE Credit Union ("**PCU**"), and manly were also customers of PSC. PSC also provided brokerage, investment and business management services to the FHH Entities.

5. The dividends owing to FHH's preference shareholders are cumulative, meaning that any dividends (whether or not declared) which are not paid are accumulated and remain payable to investors at a later date.

6. Despite the fact that PSC provided brokerage and other services to FHH, PSC did not hold its customers' cash and securities itself. Rather, PSC was registered with the Investment Industry Regulatory Organization ("**IIROC**") as a Type 2 "introducing broker", and as such, PSC contracted its back-office functions to a "carrying broker".

7. PSC's carrying broker was Laurentian Bank Securities ("**LBS**"). LBS was therefore the custodian of the securities and cash of FHH's investors.

8. As noted above, FHH purchased the FHH Securities on margin. Margin is a form of loan whereby the broker loans money to its client to allow the client to purchase more securities than could otherwise be purchased with the amount of money the client has available in the account. The loan in the account is collateralized by the securities purchased and cash, and comes with a periodic interest rate. As LBS was PSC's carrying broker, any margin loans provided through a PSC account were in fact provided by LBS.

9. 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.

10. FHH had one active subsidiary, FHFS, which operated as a mortgage broker.

LEGAL PROCEEDINGS

11. 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 ("**PIB**") and Pace General Partner Limited ("**PGPL**") (collectively the "**PSC Companies**") (the "**PSC Appointment Order**"). Pursuant to the PSC Appointment Order, all of the PSC Companies' employees were terminated.

12. 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.

13. On July 31, 2020, the FHH Liquidator filed its first report dated (the "**First Report**") to provide the Court with information regarding, *inter alia*:

    a. the Liquidator's activities since the date of its appointment on May 21, 2020;

    b. the Companies' operations and financing;

    c. the Companies' assets and realizations therefrom;

    d. certain investors in the Companies' preferred shares (the "**Preference Share Investors**");

    e. the circumstances leading up to the decision by certain Preference Share Investors to retain Paliare Roland Rothstein and Rosenberg LLP ("**Paliare Roland**") as legal counsel to pursue any potential claims they may have against the FHH Entities, PSC and other persons; and

    f. 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**").

14. As set out in the First Report, following the FHH Liquidator's appointment, MNP was contacted by more than 20 individuals who advised that they had purchased Preference Shares. Almost all of these individuals advised MNP that:

    a. they were elderly retirees, most of whom were in their late sixties and seventies;

b. the funds they invested were retirement funds from within their RRSP's and RRIF's, and that in many cases, the income stream and capital withdrawals was a critical component for them to be able to meet and fund their daily living expenses;

c. they were advised by PSC investment advisers that the Preference Shares offered them an above average yield of greater than 7%, compared to GIC's or based on FHH investments in low risk, corporate bonds. Further, they were not aware that FHH would be purchasing the securities on margin;

d. they did not recall completing any "Know Your Client" documentation nor any other questionnaires in which they set out their low-risk tolerances, based on their advanced ages and financial situations, nor did they recall reviewing any of FHH's prospectuses or investment memorandums that advised of the real risk levels of investing in the Preference Shares. They further advised that, had they been made aware of the risks associated with the Preference Shares or the underlying securities, they never would have made the investment; and,

e. they characterized themselves as unsophisticated investors and as long-standing members of CPU, that they had made the investment principally because they had faith in the advice given to them by the PSC and or PCU representatives.

15. At that time, other than the relatively minor recoveries from the sale of the office furniture and equipment belonging to FHH, MNP had not recovered any funds, and did not currently have any funds with which to conduct any further investigations or to commence litigation to try to recover any funds, and in particular, with respect to potential claims against FHH's directors and officers or anyone else (the "**Potential Claims**"), who may have been liable to FHH for conduct or activities that gave rise to damages.

16. As a result, in mid-June 2020, MNP contacted Paliare Roland to discuss whether it would be prepared to consider pursuing the Potential Claims on a contingency fee basis.

17. Following further discussions with Paliare Roland, as well as further discussions with some of the various investors/ retirees who had purchased FHH Preference Shares, it was agreed

that, given the large number of investors (the "**Investor Claimants**") and the potential complexity of the Potential Claims, it would be best to have Paliare Roland seek an appointment as Representative Counsel for the Investor Claimants.

18. On August 6, 2020, the Court issued an order(s) (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"**.

19. The Representative Counsel Order also granted PCU the exclusive authority, until October 15, 2020, to seek, design and present a settlement and/or settlement package in respect of certain direct and indirect claims against PCU, to Representative Counsel and the Court Appointed Liquidators (the "**Exclusivity Period**").

20. With the consent of Representative Counsel and the FHH and PSC Liquidators, the Exclusivity Period was extended until October 30, 2020.

21. Unfortunately, at the end of the Exclusivity Period, no settlement package was presented by PCU to Representative Counsel of the Court Appointed Liquidators, and there was no settlement.

22. This led to further discussions between the various stakeholders as to the appropriate procedure to move the matter forward.

23. On March 2, 2021, Representative Counsel obtained the Claim Procedure Orders, attached as **Appendix "C",** establishing, among other things, the procedure for an early-stage mediation (the "**Mediation**") to be conducted by Mr. Joel Wiesenfeld (the "**Mediator**") of the Investor Claimants' claims in respect of their purchase of the Preference Shares and units of FHH, PFL or PCP units (the "**Investor Claims**").

24. With the assistance of the Mediator, Representative Counsel and various parties finalized agreed upon terms of settlement resolving substantially all of the Investor Claims, subject to court approval (the "**Settlement**"), as evidenced by the redacted Settlement Term Sheet dated July 9, 2021 attached hereto as **Appendix "D"** (the "**Settlement Term Sheet**").

25. 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 PCU, 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 sixty (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) PCU 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; and

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 Preference Shares, upon receipt of a request for such support.

26. The Liquidator filed its Second report dated July 21, 2021 (the "**Second Report**") to provide the Court with information regarding, *inter alia*:

a. the disposition of the Companies' primary assets being securities and bonds (as defined below, the "**FHH Securities**") held by Laurentian Bank and the realizations therefrom;

b. review the position of Investor Claimants and other potential creditors of the FHH Entities;

c. review the terms of the Settlement Term Sheet and provide the Liquidator's rationale in support of the Settlement; and

d. provide support for Representative Counsel's request for an order(s), among other things, approving the Settlement (as such term is later defined), as set out in the draft Settlement Approval Order submitted by Representative Counsel as included in the Representative Counsel's Notice of Motion dated July 9, 2021

27. The FHH Liquidator supported the 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 estimated by Representative Counsel to exceed 70% is significant, as compared to the nominal recoveries from these proceedings absent the Settlement;

d) as reported by Representative Counsel, and as set out above, 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 was protracted and expensive litigation of factually and legally complex claims by the Investor Claimants; and,

f) approval of the Settlement would allow the Court Appointed Liquidators to proceed with completion of the administration of the winding-up proceedings.

28. On July **30**, 2021, by order of the Honourable Justice Koehnen, the Court approved the Settlement (the "**Settlement Approval Order**"), a copy of which order is attached hereto as **Appendix "E"**.

29. On September 27, 2021, Representative Counsel served its Motion Record (returnable October 18, 2021) (the "**Motion Record**") in support of its motion for approval of its fees and disbursements and the allocation and distribution of the Settlement Funds (as defined in the Settlement Approval Order).

30. On October **19**, 2021, by order of the Honourable Justice Penny, the Court, among other things, approved Representative Counsel's fees and disbursements and its proposed allocation and distribution of the settlement proceeds amongst the Investor Claimants.

PURPOSES OF THIS THIRD REPORT

31. In light of the resolution of the Investor Claims and the completion of the liquidation of FHH's securities portfolio, the FHH Liquidator is of the view that now is the appropriate time to address the claims of all the other remaining creditors of the FHH Entities. Once all the Companies' creditors and their claims are ascertained, the FHH Liquidator will be in a position to make recommendations to the Court regarding distributions to creditors (and, if applicable, the shareholders) and the completion of the winding up of the Companies.

32. The purpose of this Third Report is to provide the Court with information relating to the FHH Liquidator's motion seeking:

a) court approval of a claims process for the FHH Entities;

b) court approval of the FHH Liquidator's activities as described in this Third Report; and

c) court approval of the fees and disbursements of the FHH Liquidator, the FHH Liquidator's legal counsel Blaney McMurtry LLP ("**Blaney**").

TERMS OF REFERENCE

33. In preparing this Third 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 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.

34. 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 Liquidator expresses no opinion or other form of assurance in respect of the Information.

35. Unless otherwise stated all monetary amounts contained herein are expressed in Canadian Dollars.

36. Capitalized terms not defined in the Second Report have the meaning ascribed to them in the Appointment Order.

37. The FHH Liquidator will make a copy of this Third Report, and related documents, available on the FHH Liquidator's website at www.mnpdebt.ca/firsthamilton.

ASSET REALIZATIONS

38. Immediately prior to the date of FHH Liquidator's appointment, LBS took possession of the FHH Securities pursuant to the terms of its margin and security agreements with FHH and PSC. 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.

39. In or around late May 2021, LBS advised the FHH Liquidator that it had liquidated a sufficient portion of the FHH Securities to fully retire FHH's margin debt to LBS and that LBS would release the balance of the FHH Securities in its possession to the FHH Liquidator.

40. The FHH Liquidator subsequently made arrangements with LBS for it to liquidate the remaining FHH Securities in LBS's possession. The liquidation of FHH Securities resulted in a net realization of the sum of $798,048.43, which sum was remitted to the FHH Liquidator.

41. Based on the information the FHH Liquidator has received to date, the FHH Liquidator does not expect there to be any further material realizations from the FHH Securities.

42. Other the recovery from the FHH Securities set out above, approximately $30,000 was recovered from the sale of FHH's office furniture and equipment and $5,000 on deposit with the Companies' counsel, for total realizations to date of approximately $833,048.43.

CLAIMS PROCESS

43. Other than the potential claim of the FHH landlord following the disclaimer of the lease for FHH's head office, and other potential claims from contract employees, the FHH Liquidator has not been contacted by any other potential creditors and is not aware of any such creditors at this time.

44. Accordingly, the FHH Liquidator is proposing the Claims Process summarized below to identify all potential claimants and their claims against the FHH Entities.

30. The proposed Claims Process and timetable is summarized in the table below:

PROCESS	**DATE**
FHH Liquidator to publish Notice to Creditors in Globe and Mail (National Edition)	Not later than ten (10) Business Days following the granting of the Claims Procedure Order
FHH Liquidator to cause to be delivered a Claims Document Package to anyone identified as a Creditorbased upon a review of the information contained in the books and records of the FHH Entities	Not later than ten (10) Business Days following the granting of the Claims Procedure Order
FHH Liquidator to post a copy of the Claims Procedure Order, Motion Record and Claims Document Package on the FHH Liquidator's Website	Not later than five (5) Business Days following the granting of the Claims Procedure Order
FHH Liquidator to deliver Claims Document Package to any Person: (i) who claims to be a Creditor, and (ii) requests such material in writing, by regular mail or electronic mail to the address as provided by such Person.	As soon as reasonably possible after receiving request
Claims Bar Date	January 31, 2022, 5:00 p.m., Toronto time
FHH Liquidator to issue Notice of Revision or Disallowance	As soon as practicable following review of Proof of Claim.

PROCESS	DATE
Creditor to deliver Notice of Objection to FHH Liquidator	Within fifteen (15) days following receipt by the Creditor of the Notice of Revision or Disallowance
Creditor to serve a Notice of Motion in respect of determination of the Claim in dispute, with a copy to be sent to the FHH Liquidator immediately after filing	Returnable within thirty (30) days following receipt by the FHH Liquidator of the Notice of Objection.

31. The proposed Claims Process will allow the FHH Liquidator to attempt to settle any dispute with a Claimant directly, and if unsuccessful, the FHH Liquidator may either direct the dispute to a claims officer (as may be appointed by the Court on application of the FHH Liquidator) or seek directions from the Court with respect to an appropriate process for the determination of such Claims.

42. The FHH Liquidator is of the view that the proposed Claims Process provides sufficient notice and time for claimants to file proofs of claim and have their claims determined.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

43. Attached hereto as **Appendix "F"** is the Liquidator's Statement of Receipts and Disbursements (the "**R&D Statement**") for the period from May 14, 2020 to October 22, 2021, which reflects receipts over disbursements of approximately $476,799.00. The R&D Statement details individual receipt and disbursement line items.

PROFESSIONAL FEES AND DISBURSEMENTS

Liquidator's Fees and Disbursements

44. MNP in its capacity as FHH Liquidator has issued 5 invoices with respect to its professional fees and disbursements for the period May 17, 2020 to October 22, 2021, totaling $159,223.20 inclusive of HST. Attached as **Appendix "G"** is the affidavit of Jerry Henechowicz sworn October 24, 2021 describing the aforementioned fees and disbursements of the FHH Liquidator.

45. All of MNP's fees and disbursements were properly incurred and are properly chargeable to the Estate.

46. Of note, MNP also paid the legal fees and disbursements of the law firm of Dickinson Wright LLP, counsel to the Companies, in the initial stages of this matter, pursuant to the terms of the Appointment Order.

Legal Fees and Disbursements

47. Blaney McMurtry LLP has acted as independent legal counsel to the FHH Liquidator since the appointment of the FHH Liquidator and has issued two invoices ("**Blaney Accounts**") covering its fees and disbursements for the period **May 21, 2020** to **September 30, 2021** totaling $**147,485.52**, inclusive of HST. Attached as **Appendix** "H" is the affidavit of Lou Brzezinski, sworn October **25**, 2021 describing the aforementioned fees and disbursements of Blaney and attaching copies of the Blaney Accounts.

48. In the 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.

RECOMMENDATIONS

49. For the reasons enumerated above, the FHH Liquidator respectfully asks this Court to grant the relief set out in the Notice of Motion.

All of which is respectfully submitted this 25th day of October, 2021.

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

Per:

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

APPENDIX G

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

O R D E R

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;

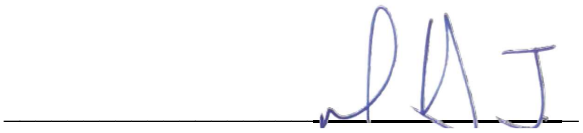
was heard this day via videoconference due to the COVID-19 pandemic.

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.

APPENDIX H

Electronically issued
Délivré par voie électronique : 03-Nov-2021
Toronto

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

CLAIMS PROCEDURE 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 approving and authorizing the Claims Procedure (as defined herein) and authorizing, directing and empowering the Liquidator to implement and carry out the Claims Procedure in accordance with the terms of this order (the "**Claims Procedure Order**") was heard this day via videoconference due to the COVID-19 pandemic.

ON READING the Motion Record of the Liquidator, 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:

SERVICE

1. **THIS COURT ORDERS** that the time for service and notice of this Motion is abridged and validated such that this Motion is properly returnable today, without further service or notice thereof.

INTERPRETATION

2. **THIS COURT ORDERS** that, for the purposes of this Claims Procedure Order, in addition to terms defined elsewhere herein, the following terms shall have the following meanings:

(a) **"Assessments"** means any Claim (as defined herein) of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian or foreign jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of objection, notice of appeal, audit, investigation, demand or similar request from any taxation authority;

(b) **"Business Day"** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;

(c) **"Claim"** means any right or claim of any Person against any one or more of the entities defined above as "First Hamilton", whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of First Hamilton, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, by guarantee, by surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any Assessment and any right or ability of any Person to

advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, and any other claims that would be claims provable in bankruptcy had First Hamilton made an assignment in bankruptcy as of the date hereof (each, a "**Claim**", and collectively, the "**Claims**");

(d) **"Claim Document Package"** means a document package that contains a copy of the Instruction Letter (as defined herein), the Notice to Creditors (as defined herein), and Proof of Claim, and such other materials as the Liquidator may consider appropriate or desirable;

(e) **"Claims Bar Date"** means 5:00 p.m. on January 14, 2022, or such other date as may be ordered by the Court;

(f) **"Claims Procedure"** means the procedures set out in this Order for identifying and determining Claims against First Hamilton;

(g) **"Court"** means the Ontario Superior Court of Justice (Commercial List);

(h) **"Creditor"** means any Person having or asserting a Claim;

(i) **"Instruction Letter"** means the instruction letter to Creditors, substantially in the form attached as **Schedule "A"** hereto, regarding completion by Creditors of the Proof of Claim;

(j) **"Notice of Revision or Disallowance"** means a notice, substantially in the form attached hereto as **Schedule "D"**;

(k) **"Notice to Creditors"** means the notice to Creditors for publication, substantially in the form attached as **Schedule "B"** hereto;

(l) **"Person"** means, without limitation, any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government authority or any agency, regulatory body, officer or instrumentality thereof or any other entity, wherever

situate or domiciled, and whether or not having legal status and whether acting on their own or in a representative capacity;

(m) **"Proof of Claim"** means a Proof of Claim, substantially in the form attached hereto as **Schedule "C"**;

(n) **"Proven Claim"** means the amount of a Claim of a Creditor as finally determined in accordance with this Claims Procedure Order.

GENERAL PROVISIONS

3. **THIS COURT ORDERS** that all references to time herein shall mean Toronto Time and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

4. **THIS COURT ORDERS** that the Claims Procedure and the forms of Instruction Letter, Notice to Creditors, Proof of Claim and Notice of Revision or Disallowance are hereby approved. Notwithstanding the foregoing, the Liquidator may, from time to time, make non-substantive changes to the forms as the Liquidator, in its sole discretion, may consider necessary or desirable.

5. **THIS COURT ORDERS** that the Liquidator is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may waive strict compliance with the requirements of this Claims Procedure Order as to completion, execution and submission of such forms and to request any further documentation from a Creditor that the Liquidator may require.

6. **THIS COURT ORDERS** that all Claims shall be denominated in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada daily average exchange rate on the Claims Bar Date.

7. **THIS COURT ORDERS** that there shall be no presumption of validity or deeming of the amount due in respect of amounts claimed in any Assessment.

8. **THIS COURT ORDERS** that copies of all forms delivered hereunder, as applicable, shall be maintained by the Liquidator.

9. **THIS COURT ORDERS** that no Claim shall be determined, and no payment shall be made by First Hamilton in respect of any Claim, except in accordance with this Claims Procedure Order and the Claims Procedure set out herein.

ROLE OF THE LIQUIDATOR

10. **THIS COURT ORDERS** that the Liquidator, in addition to its prescribed rights, duties, responsibilities and obligations under the Order, dated May 21, 2020, that appointed the Liquidator ("**Appointment Order**"), shall administer the Claims Procedure provided for herein and is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order.

11. **THIS COURT ORDERS** that the Liquidator shall: (i) have all protections afforded to it by the Appointment Order, any Orders of the Court in these proceedings and other applicable law in connection with its activities in respect of this Claims Procedure Order; and (ii) incur no liability or obligation as a result of carrying out the provisions of this Claims Procedure Order, other than in respect of gross negligence or wilful misconduct.

12. **THIS COURT ORDERS** that First Hamilton and its employees, agents and representatives and any other Person given notice of this Claims Procedure Order shall fully cooperate with the Liquidator in the exercise of its powers and the discharge of its duties and obligations under this Claims Procedure Order.

NOTICE TO CREDITORS

13. **THIS COURT ORDERS** that:

(a) the Liquidator shall, not later than ten (10) Business Days following the granting of the Claims Procedure Order, cause to be published the Notice to Creditors in the Globe and Mail (National Edition);

(b) the Liquidator shall, not later than five (5) Business Days following the granting of the Claims Procedure Order, post a copy of this Claims Procedure Order, the Liquidator's Motion Record in respect of this Claims Procedure Order and the Claims Document Package on its website at www.mnpdebt.ca/firsthamilton; and

(c) the Liquidator shall deliver as soon as reasonably possible following receipt of a request therefor, a copy of the Claims Document Package to any Person: (i) who claims to be a Creditor, and (ii) requests such material in writing.

14. **THIS COURT ORDERS** that the Liquidator shall be entitled to rely on the accuracy and completeness of the information obtained from the books and records of First Hamilton regarding the review of the Proof(s) of Claim. For greater certainty, the Liquidator shall have no liability in respect of the information provided to it and shall not be required to conduct any independent inquiry and/or investigation with respect to that information.

PROOFS OF CLAIM

15. **THIS COURT ORDERS** that to be effective, every Creditor asserting a Claim against First Hamilton shall set out its aggregate Claim in a Proof of Claim, including supporting documentation, and deliver that Proof of Claim to the Liquidator so that it is actually received by the Liquidator by no later than the Claims Bar Date.

CLAIMS BAR

16. **THIS COURT ORDERS** that any Person that does not deliver a Proof of Claim in respect of a Claim in the manner required by this Claims Procedure Order such that it is actually received by the Liquidator on or before the Claims Bar Date:

(a) shall not be entitled to receive any distribution in respect of such Claim; and

(b) shall be forever barred from making or enforcing such Claim against First Hamilton and such Claim shall be hereby extinguished without any further act or notification.

SET OFF

17. **THIS COURT ORDERS** that nothing in this Claims Procedure Order shall affect any right of set-off which First Hamilton may have against any Creditor.

TRANSFER OF CLAIMS

18. **THIS COURT ORDERS** that if the holder of a Claim transfers or assigns the whole of such Claim to another Person, the Liquidator shall not be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until written notice of such transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by Liquidator and the Liquidator has provided written confirmation acknowledging the transfer or assignment of such Claim, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to receiving written confirmation by the Liquidator acknowledging such assignment or transfer. After the Liquidator has delivered a written confirmation acknowledging the notice of the transfer or assignment of a Claim, the Liquidator shall thereafter be required only to deal with the transferee or assignee and not the original holder of the Claim. A transferee or assignee of a Claim takes the Claim subject to any rights of set-off to which First Hamilton may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set-off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to First Hamilton. Reference to transfer in this Claims Procedure Order includes a transfer or assignment whether absolute or intended as security.

19. **THIS COURT ORDERS** that if a Creditor or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Liquidator as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Liquidator shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim, provided such Creditor may, by notice in writing delivered to the Liquidator, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Creditor or in accordance with the provisions of this Claims Procedure Order.

DETERMINATION OF CLAIMS

20. **THIS COURT ORDERS** that, subject to the terms of this Claims Procedure Order, the Liquidator shall review all Proofs of Claim and may:

(a) request additional information from a Creditor and / or First Hamilton to assist with such review and assessment;

(b) request that a Creditor file a revised Proof of Claim;

(c) attempt to resolve and settle any issue arising in a Proof of Claim in respect of a Claim;

(d) accept (in whole or in part) the amount of any Claim and notify the Creditor in writing; and

(e) revise or disallow (in whole or in part) the amount of any Claim by delivering a Notice of Revision or Disallowance to such Creditor.

21. **THIS COURT ORDERS** that where a Claim has been accepted by the Liquidator, such Claim shall constitute a Proven Claim.

22. **THIS COURT ORDERS** that if a Creditor intends to dispute its Claim as set out in a Notice of Revision or Disallowance, the Creditor shall:

(a) notify the Liquidator of the objection in writing (setting out the grounds for the objection) by registered mail, courier, or email (in PDF format) within fifteen (15) days of receipt of a Notice of Revision or Disallowance (the "**Objection**"); and

(b) file a notice of motion with this Court for the determination of the Claim in dispute (the "**Notice of Motion**"), with a copy to be sent to the Liquidator immediately after filing.

23. **THIS COURT ORDERS** that the Notice of Motion shall be:

(a) supported by a sworn affidavit setting out the Creditor's basis for disputing the Notice of Revision or Disallowance; and

(b) returnable within thirty (30) days of the date on which the Liquidator received the Objection.

24. **THIS COURT ORDERS** that if a Creditor fails to deliver the Objection and/or the Notice of Motion in accordance with paragraphs 22 and 23 herein, the Claim shall be deemed accepted at the amount set forth in the Notice of Revision or Disallowance and the Creditor will:

(a) where the entire Claim is disallowed:

(i) not be entitled to receive any distribution in these proceedings; and

(ii) be forever barred from making or enforcing such Claim against First Hamilton;

(b) where the Claim has been revised:

(i) only be entitled to receive a distribution in an amount proportional to the revised amount; and

(ii) be forever barred from making or enforcing any Claim against First Hamilton greater than the revised amount and the amount of the Claim reduced by the revision will be forever extinguished.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the Liquidator may, unless otherwise specified by this Claims Procedure Order, serve and deliver or cause to be served and delivered the Claims Document Package, any letters, notices or other documents to Creditors or any other interested Person by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons or their counsel (including counsel of record in any ongoing litigation) at the physical or electronic address, as applicable, last shown on the books and records of First Hamilton or set out in such Creditor's Proof of Claim, if one has been filed.

Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Canada, and the fifth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

26. **THIS COURT ORDERS** that any notice or communication required to be provided or delivered by a Creditor to the Liquidator under this Claims Procedure Order shall be in writing in substantially the form, if any, provided for in this Claims Procedure Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery or email addressed to:

> 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.
> 300 - 111 Richmond Street West
> Toronto, ON M5H 2G4
>
> Attention: Jerry Henechowicz
> Email: jerry.henechowicz@mnp.ca

Any such notice or communication delivered by a Creditor shall be deemed to be received upon actual receipt thereof before 5:00 p.m. on a Business Day or if delivered outside of normal business hours, the next Business Day.

27. **THIS COURT ORDERS** that the publication of the Notice to Creditors and the mailing of the Claims Document Packages as set out in this Claims Procedure Order shall constitute good and sufficient notice to Creditors of the Claims Bar Date and the other deadlines and procedures set forth herein, and that no other form of notice or service need be given or made on any Person, and no other document or material need be served on any Person in respect of the claims procedure described herein.

28. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is subsequently amended by further Order of the Court, the Liquidator shall serve notice of such amendment on the Service List in these proceedings and the Liquidator shall post such further

Order on the Liquidator's website and such posting shall constitute adequate notice to all Persons of such amended Claims Procedure Order.

GENERAL

29. **THIS COURT ORDERS** that the Liquidator may from time to time apply to this Court to amend, vary, supplement or replace this Claims Procedure Order or for advice and directions concerning the discharge of its powers and duties under this Claims Procedure Order or the interpretation or application of this Claims Procedure Order.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside Canada to give effect to this Claims Procedure Order and to assist the Liquidator and its agents in carrying out the terms of this Claims Procedure 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 Claims Procedure Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and its agents in carrying out the terms of this Claims Procedure Order.

31. **THIS COURT ORDERS** that this Claims Procedure Order and all of its provisions are effective as of 12:01 a.m. Toronto Time on the date of this Claims Procedure Order.

_____

Schedule "A"
Instruction Letter

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE 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.

A. CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) made November 1, 2021 (the "**Claims Procedure Order**"), MNP Ltd. in its capacity as court-appointed Liquidator and manager (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. (collectively "**First Hamilton**"), has been authorized to conduct a claims procedure (the "**Claims Procedure**") with respect to claims against First Hamilton in accordance with the terms of the Claims Procedure Order.

Unless otherwise defined, all capitalized terms used herein shall have the meanings given to those terms in the Claims Procedure Order.

The Claims Procedure Order, the Claims Document Package, additional Proofs of Claim and related materials may be accessed from the Liquidator's website at www.mnpdebt.ca/firsthamilton.

This letter provides instructions for responding to or completing the Proof of Claim. Reference should be made to the Claims Procedure Order for a complete description of the Claims Procedure.

The Claims Procedure is intended for any Person with any Claims of any kind or nature whatsoever against, whether liquidated, unliquidated, contingent or otherwise. Please review the enclosed material for the complete definitions of a "Claim" to which the Claims Procedure applies.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

> 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.
> 300 - 111 Richmond Street West
> Toronto, ON M5H 2G4
>
> Attention: Jerry Henechowicz
> Email: jerry.henechowicz@mnp.ca

B. SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against one or more of the entities defined in the Claims Procedure Order as "First Hamilton", you must file a Proof of Claim with the Liquidator.

All Proofs of Claim must be received by the Liquidator by the Claims Bar Date.

PROOFS OF CLAIM MUST BE RECEIVED BY THE CLAIMS BAR DATE OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you have a Claim and are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date you shall not be entitled to participate in any distribution in respect of such Claim.

Additional Proof of Claim forms can be obtained by contacting the Liquidator at the telephone numbers and address indicated above and providing particulars as to your name, address and facsimile number or email mail address. Additional Proof of Claim forms and related materials may be accessed from the Liquidator's web site at www.mnpdebt.ca/firsthamilton.

Where a Creditor files a Proof of Claim with the Liquidator, the Liquidator will review the Proof of Claim and, as soon as reasonably practicable, provide to the Creditor a response in writing by registered mail, courier service or email as to whether the Claim set out in the Proof of Claim is accepted, disputed in whole, or disputed in part. Where the Claim is disputed in whole or in part, the Liquidator will issue a Notice of Revision or Disallowance indicating the reasons for the dispute.

The Claims Procedure Order further provides that where a Creditor objects to a Notice of Revision or Disallowance, the Creditor must notify the Liquidator of the objection in writing by registered mail, courier service, facsimile or email within fifteen (15) days of receipt of the Notice of Revision or Disallowance. The Liquidator's contact information is below:

MNP Ltd., in its capacity as court-appointed Liquidator
and manager 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.
300 - 111 Richmond Street West
Toronto, ON M5H 2G4

Attention: Jerry Henechowicz
Email: jerry.henechowicz@mnp.ca

The Creditor shall immediately thereafter serve on the Liquidator, a Notice of Motion, filed at the Court and made returnable within thirty (30) days after the date that the Liquidator received the Objection. The Notice of Motion is to be supported by a sworn affidavit setting out the reasons for the dispute.

DATED at Toronto, Ontario this ____ day of November, 2021.

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.

Per: _____

Schedule "B"
Notice to Creditors

Notice to Creditors

RE: Notice of Call for Claims, Claims Procedure and Claims Bar Date

NOTICE IS HEREBY GIVEN THAT, by Order of the Ontario Superior Court of Justice (Commercial List) made November 1, 2021 (the "**Claims Procedure Order**"), MNP Ltd., in its capacity as 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. (collectively "**First Hamilton**"), has been authorized to conduct a claims procedure with respect to claims against First Hamilton in accordance with the terms of the Claims Procedure Order.

All persons wishing to assert a Claim against First Hamilton must file a Proof of Claim with the Liquidator. **THE CLAIMS BAR DATE is 5:00 p.m. (Toronto Time) on January 14, 2022**. Proofs of Claim must be filed with the Liquidator on or before the Claims Bar Date.

PROOFS OF CLAIM MUST BE RECEIVED BY THE LIQUIDATOR BY THE CLAIMS BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date, you shall not be entitled to participate in any distribution in respect of any such Claim.

The Claims Procedure Order, the Claims Document Package, additional Proofs of Claim and related materials, including the Liquidator's contact information, may be accessed from the Liquidator's website at www.mnpdebt.ca/firsthamilton, or by emailing the Liquidator at jerry.henechowicz@mnp.ca.

DATED at Toronto, Ontario this ____ day of November, 2021.

MNP Ltd., in its capacity as court-appointed Liquidator
and manager 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.

Per: _____

Schedule "C"

Proof of Claim Against First Hamilton Holdings Inc., First Hamilton Financial Services Inc., First Hamilton Capital Inc., First Hamilton General Partner 2 Inc. and / or First Hamilton Mortgage Brokers Inc.

PROOF OF CLAIM AGAINST FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. AND / OR FIRST HAMILTON MORTGAGE BROKERS INC. (hereinafter collectively referred to as "First Hamilton")

Please read the enclosed Instruction Letter carefully prior to completing this Proof of Claim. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Claims Procedure Order dated November 1, 2021.

A. Particulars of Creditor

1. Full Legal Name of Creditor: _____ (the "**Creditor**") (*Full legal name should be the name of the original Creditor, regardless of whether an assignment of a Claim has been made.*)

2. Full Mailing Address of the Creditor (*the original Creditor, and not of any applicable assignee, referred to herein as an "Assignee"*):

_____

_____

_____

_____

3. Telephone Number: _____

   Email: _____

   Attention (Contact Person): _____

4. Has the Claim been sold, transferred or assigned by the Creditor to another party?

   Yes: **[___]**

   No: **[___]**

B. Particulars of Assignee(s) (If any):

1. Full Legal Name of Assignee(s): _____ (*If a portion of the Claim has been assigned, insert full legal name of Assignee(s) of the Claim. If there is more than one Assignee, please attach a separate sheet with the required information.*)

2. Full Mailing Address of Assignee(s): _____

3. Telephone Number of Assignee(s): _____

4. Email of Assignee(s): _____

5. Attention (Contact Person): _____

C. Proof of Claim:

I, _____ (*name of individual Creditor or representative of corporate Creditor*), of _____(*City, Province or State*) do hereby certify:

(a) that I

[____] am the Creditor; OR

[____] am _____ *(state position or title)* of _____ *(name of Corporate Creditor)*

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Creditor asserts its Claim against _____ (identify the First Hamilton entity against whom you are asserting your Claim);

(d) The amount of the Creditor's Claim is

$_____

D. Particulars of Claim:

Other than as already set out herein, the particulars of the Claim are attached.

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed.)

E. Filing of Claims:

The Liquidator must receive this Proof of Claim before 5:00 p.m. (Toronto Time) on January 14, 2022 **(**the "**Claims Bar Date**").

FAILURE TO FILE YOUR PROOF OF CLAIM ON OR BEFORE THE CLAIMS BAR DATE WILL RESULT IN YOUR CLAIM BEING BARRED AND EXTINGUISHED FOREVER, AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST FIRST HAMILTON IN RESPECT OF SUCH CLAIM.

This Proof of Claim must be delivered to the Liquidator by registered mail, personal delivery, email (in PDF format), courier or facsimile at the following addresses:

The Liquidator:

MNP Ltd., in its capacity as court-appointed Liquidator
and manager 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.

300 - 111 Richmond Street West
Toronto, ON M5H 2G4

Attention: Jerry Henechowicz
Email: jerry.henechowicz@mnp.ca

DATE:

NAME OF CREDITOR:

_____
Witness Signature

_____

Per: _____

Name: _____

Title: _____
(Please Print)

Schedule "D"
Notice of Revision or Disallowance

NOTICE OF REVISION OR DISALLOWANCE
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")

TO: _____ (the "**Creditor**")

DATE: _____

MNP Ltd., in its capacity as court-appointed Liquidator and manager (the "**Liquidator**") of First Hamilton, has reviewed the Proof of Claim in respect of the above-named Creditor, and has assessed the Proof of Claim in accordance with the order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued on November 1, 2021 (the "**Claims Procedure Order**").

All capitalized terms not defined herein have the meaning given to them in the Claims Procedure Order.

The Liquidator has reviewed your Proof of Claim in accordance with the Claims Procedure Order, and the Liquidator has revised or disallowed your Proof of Claim, for the following reason(s):

_____

_____

_____

_____

Subject to further dispute by you in accordance with the Claims Procedure Order, your Proof of Claim will be allowed as follows:

Name of Creditor	Claim Amount per Proof of Claim	Revised Amount of Claim
	$	$

IF YOU WISH TO DISPUTE THE REVISION OR DISALLOWANCE OF YOUR CLAIM AS SET FORTH HEREIN YOU MUST TAKE THE STEPS OUTLINED BELOW.

The Claims Procedure Order provides that if you disagree with the revision or disallowance of your claim as set forth herein, you must:

1. notify the Liquidator of the objection in writing (setting out the grounds for the objection) by registered mail, courier, facsimile or email (in PDF format) within fifteen (15) days of receipt of the Notice of Revision or Disallowance (the "**Objection**"); and

2. file a notice of motion with the Court, with copies to be sent to the Liquidator immediately after filing, with such motion to be:

    i. supported by a sworn affidavit setting out the basis for disputing this Notice of Revision or Disallowance; and

    ii. made returnable within thirty (30) calendar days of the date on which the Liquidator receives your Objection.

If you do not dispute the revision or disallowance of your Proof of Claim in accordance with the above instructions and the Claims Procedure Order, the amount of your Claim will deemed to be accepted, and the Claim shall be determined to be as set out in this Notice of Revision or Disallowance.

If you have any questions or concerns regarding the above claims procedure, please contact the Liquidator directly.

DATED the ____ day of _____, 2021

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.

Per: _____

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 (CLAIMS PROCEDURE)
(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.

APPENDIX I

The rating of Rogers's debt was already under review for a possible downgrade since the Toronto-based telecom giant announced a $26-billion takeover of Shaw Communications. CARLOS OSORIO/REUTERS

Moody's raises concerns over governance turmoil at Rogers

Agency says it could revise rating if it finds board issues are having detrimental effect on company's credit profile

SUSAN KRASHINSKY ROBERTSON
RETAILING REPORTER

The governance of **Rogers Communications Inc.** – where a battle for control has thrown the company into turmoil – is "materially credit negative," credit-rating agency Moody's Investors Service said on Thursday.

Moody's had already placed its ratings of Rogers's debt – including senior unsecured notes – under review for a possible downgrade in March of this year, when the Toronto-based telecom giant announced its $26-billion acquisition of Shaw Communications Inc. The deal is awaiting regulatory approval. That review was prompted by the probability that the deal will increase Rogers's leverage, since it will be funded with debt.

Now, in addition to the leverage issue, Moody's said on Thursday that "governance risk" at Rogers is high also "because of recent family and board-level disagreements and related management uncertainties."

The dispute at Rogers is now before a court in B.C., where lawyers for Edward Rogers are seeking approval for his push to replace five of the company's independent directors with his own slate of candidates. A decision is expected on Friday.

Mr. Rogers is chair of the Rogers Control Trust, which gives him the authority to vote 97.5 per cent of the company's voting shares. But other members of the Rogers family, including his mother, Loretta, and sisters Martha and Melinda, have opposed the move, saying that Mr. Rogers is under obligation to call a shareholder meeting to make such changes.

Mr. Rogers's attempt to overhaul the board came after The Globe and Mail reported on his plan to replace chief executive officer Joe Natale with then-chief financial officer Tony Staffieri. The plan was voted down in September by the company's board of directors, which subsequently voted to oust Mr. Rogers as chairman.

The board also decided to undertake a corporate governance review and implement a new executive oversight committee to enshrine "clear protocols" for interactions between Mr. Rogers and the management team.

Mr. Rogers, as chairman of the Rogers Control Trust, then sought to replace five directors and to reinstate himself as the company's chairman.

Moody's currently has a Baa1 rating for Rogers, which it defines as a "moderate credit risk." The agency could revise the rating before the closing of the Shaw deal, if it determines the board issues are having a "sustainable detrimental effect" on Rogers's credit profile, according to an issuer comment released on Thursday.

"Separate from governance concerns related to the Shaw acquisition, the ongoing disagreement between family members, the disagreement between Edward Rogers and the current CEO, past and current uncertainty of the role of Rogers' CEO versus Edward Rogers as the chair, and the true independence of Rogers' directors, has materially increased our governance concerns," Moody's senior analyst Peter Adu wrote in the issuer comment.

"Recent board-level actions are not expected of a Baa1-rated debt issuer."

A spokesperson for Rogers declined to comment.

With reports from Alexandra Posadzki

Rogers: Several lawyers say their interpretation of hearing is that Edward has ability to change board

FROM B1

Justice Fitzpatrick spent 28 years as a corporate lawyer in Winnipeg and Vancouver working on complex issues such as insolvencies, restructuring and finance, cases in which legal decisions are driven by precise interpretations of documents.

She became a judge in 2010, and has heard cases involving tax law, commercial property disputes and the rights of parents who use surrogate mothers, relying on legal precedents and relatively narrow interpretations of contracts to make rulings.

Justice Fitzpatrick oversaw the recent restructuring of retailer Mountain Equipment Co-op.

While lawyers, bankers and institutional investors who own Rogers shares said it is presumptuous to predict how a judge will rule, several legal experts said everything in Justice Fitzpatrick's background points to a decision on Friday that reflects only what is spelled out in B.C.'s Business Corporations Act and the Rogers articles of incorporation. The Globe and Mail is not naming the individuals because they did not want to speak on the record about what a judge might rule.

A narrowly focused approach would favour Mr. Rogers, the experts said.

Several lawyers and fund managers said their interpretation of Monday's hearing was that Mr. Rogers has the right to vote shares held in the family trust and the ability to change the board, and the only question is how long it will take for him to prevail.

In a court hearing on Monday, Mr. Rogers's lawyer Ken McEwan argued that as chair of a family trust that controls 97.5 per cent of the company's voting class A shares, Mr. Rogers has the right under B.C. law to change the board through what is known as a "consent resolution," with no need for a vote. Mr. McEwan said the court should rule on this "simple and narrow question."

In response, Rogers lawyers argued that the company's own publicly disclosed governance practices, its articles of incorporation and a "memorandum of wishes" that founder Ted Rogers left for his family call for a shareholder vote on the proposed changes to the board. Mr. Emerson, a former chair of Rogers, said in a court filing that allowing Edward Rogers to replace five directors using a consent resolution "would be a direct denial of the best corporate governance practices adopted by large Canadian corporations."

The legal drama is playing out as Rogers attempts to win federal government approval for its proposed $26-billion takeover of Shaw Communications Inc. and roll out a multibillion-dollar expansion of 5G wireless networks. This week, rivals BCE Inc. and Telus Corp. urged federal regulators to delay hearings on the Shaw purchase until Rogers leadership issues are resolved.

Justice Fitzpatrick, 63, was born in Winnipeg and did her law degree at the University of Manitoba. She spent three years at Winnipeg law firm Fillmore Riley LLP, then moved to Vancouver in 1986, serving as a partner at Campney & Murphy and Davis LLP (now part of global law firm DLA Piper LLP) before being appointed to the B.C. Supreme Court.

QUEBECOR'S THIRD-QUARTER PROFIT RISES 23% ON HIGHER REVENUES

MONTREAL **Quebecor Inc.** says its net profits grew 23 per cent in its latest quarter on higher revenues.

The Quebec-based telecommunications company says its net income attributable to shareholders was $173.1-million or 71 cents per share in the quarter, up from $140.9-million or 56 cents per share a year earlier.

Excluding one-time items, adjusted earnings from continuing operations were $176.1-million or 73 cents per diluted share, up from $173.1-million or 69 cents per share in the third quarter of 2020.

Revenues for the three months ended Sept. 30 were $1.15-billion, up 3.3 per cent from $1.11-billion in the prior year quarter.

Quebecor was expected to report 71 cents per share in adjusted profits on $1.13-billion of revenues, according to financial data firm Refinitiv.

Videotron Ltd. revenues increased 5.6 per cent and mobile telephony grew 8 per cent in the quarter as there were 25,600 more revenue-generating units in the quarter, including 40,900 connections to the mobile telephony service and 22,500 subscriptions to internet access services.

"The continuing reopening of the economy is enabling us to stay on track toward our growth and profitability targets. In addition, our strong financial performance positions us very advantageously to capitalize on our many operational and technological advances and on our potential for cross-Canada expansion," chief executive officer Pierre Karl Peladeau stated.

THE CANADIAN PRESS

Trade surplus grew to $1.9-billion in September on auto-sector slump

OTTAWA

Canada's merchandise trade surplus grew to $1.9-billion in September, compared with $1.5-billion in August, as both imports and exports fell owing in part to the shortage of semiconductor chips that hurt auto production.

Statistics Canada said Thursday that production disruptions in the auto industry intensified in North America in September because of the continuing shortage of semiconductor chips that has forced auto producers to slow or halt production around the world.

Total exports fell 2.3 per cent in September to $53.0-billion as exports of motor vehicles and parts fell 17.9 per cent to $4.6-billion in September.

Exports of metal and non-metallic mineral products fell 8.1 per cent as exports of unwrought gold and silver fell 12.1 per cent, while exports of energy products rose 6.1 per cent, helped higher by rising prices.

Meanwhile, total imports fell 3 per cent to $51.1-billion in September as imports of motor vehicles and parts dropped 13.6 per cent to $6.6-billion.

BMO economist Shelly Kaushik noted it was the seventh month this year to show a trade surplus, the best run since 2014. "The trade surplus widened again in September, thanks in part to continued strength in energy exports," Ms. Kaushik wrote in a brief report. "After trade was a big drag on growth in Q2, it looks like we'll get a notable rebound in Q3."

Regionally, Canada's trade surplus with the United States increased to $8.4-billion in September, compared with $8.1-billion in August, as imports from the country's largest trading partner fell 3.7 per cent and exports lost 2.2 per cent.

Canada's trade deficit with countries other than the U.S. held steady at $6.6-billion in September.

In volume terms, total exports fell 3 per cent in September, while imports fell 4.9 per cent.

In a separate release, Statscan said the monthly international trade in services increased to $624-million in September compared with $285-million in August.

THE CANADIAN PRESS

BUSINESS CLASSIFIED

TO PLACE AN AD CALL: 1-866-999-9237
EMAIL: ADVERTISING@GLOBEANDMAIL.COM

LEGALS

NOTICE TO CREDITORS
RE: NOTICE OF CALL FOR CLAIMS, CLAIMS PROCEDURE AND CLAIMS BAR DATE

NOTICE IS HEREBY GIVEN THAT, by Order of the Ontario Superior Court of Justice (Commercial List) made November 1, 2021 (the "**Claims Procedure Order**"), MNP Ltd., in its capacity as 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. (collectively referred to as the "**Companies**"), has been authorized to conduct a claims procedure with respect to claims against the Companies in accordance with the terms of the Claims Procedure Order.

All persons wishing to assert a Claim against the Companies must file a Proof of Claim with the Liquidator. **THE CLAIMS BAR DATE is 5:00 p.m. (Toronto Time) on January 14, 2022**. Proofs of Claim must be filed with the Liquidator on or before the Claims Bar Date.

PROOFS OF CLAIM MUST BE RECEIVED BY THE LIQUIDATOR BY THE CLAIMS BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date, you shall not be entitled to participate in any distribution in respect of any such Claim.

The Claims Procedure Order, the Claim Document Package, additional Proofs of Claim and related materials, including the Liquidator's contact information, may be accessed from the Liquidator's website at www.mnpdebt.ca/firsthamilton or by emailing the Liquidator at Fatemah.Khalfan@mnp.ca.

DATED at Toronto, Ontario this 5th day of November 2021.

MNP LTD.,
in its capacity as 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.
300-111 Richmond St. West
Toronto ON M5H 2G4
www.mnpdebt.ca

MNP LTD

DIVIDENDS

Dividends
Computershare

Notice is hereby given that the following dividends have been declared.

Issuer	Issue Date	Record Date	Payable	Rate
AltaGas Ltd.	Common	Nov. 25, 2021	Dec. 15, 2021	$0.0833
Enbridge Inc.	Common	Nov. 15, 2021	Dec. 1, 2021	$0.835
Enbridge Inc.	Pref. Series A	Nov. 15, 2021	Dec. 1, 2021	$0.34375
Enbridge Inc.	Pref. Series B	Nov. 15, 2021	Dec. 1, 2021	$0.21340
Enbridge Inc.	Pref. Series C	Nov. 15, 2021	Dec. 1, 2021	$0.16081
Enbridge Inc.	Pref. Series D	Nov. 15, 2021	Dec. 1, 2021	$0.27875
Enbridge Inc.	Pref. Series F	Nov. 15, 2021	Dec. 1, 2021	$0.29306
Enbridge Inc.	Pref. Series H	Nov. 15, 2021	Dec. 1, 2021	$0.27350
Enbridge Inc.	Pref. Series J	Nov. 15, 2021	Dec. 1, 2021	0.30540 US
Enbridge Inc.	Pref. Series L	Nov. 15, 2021	Dec. 1, 2021	0.30993 US
Enbridge Inc.	Pref. Series N	Nov. 15, 2021	Dec. 1, 2021	$0.31788
Enbridge Inc.	Pref. Series P	Nov. 15, 2021	Dec. 1, 2021	$0.27369
Enbridge Inc.	Pref. Series R	Nov. 15, 2021	Dec. 1, 2021	$0.25456
Enbridge Inc.	Pref. Series 1	Nov. 15, 2021	Dec. 1, 2021	0.37182 US
Enbridge Inc.	Pref. Series 3	Nov. 15, 2021	Dec. 1, 2021	$0.23356
Enbridge Inc.	Pref. Series 5	Nov. 15, 2021	Dec. 1, 2021	0.33596 US
Enbridge Inc.	Pref. Series 7	Nov. 15, 2021	Dec. 1, 2021	$0.27806
Enbridge Inc.	Pref. Series 9	Nov. 15, 2021	Dec. 1, 2021	$0.25606
Enbridge Inc.	Pref. Series 11	Nov. 15, 2021	Dec. 1, 2021	$0.24613
Enbridge Inc.	Pref. Series 13	Nov. 15, 2021	Dec. 1, 2021	$0.19019
Enbridge Inc.	Pref. Series 15	Nov. 15, 2021	Dec. 1, 2021	$0.18644
Enbridge Inc.	Pref. Series 17	Nov. 15, 2021	Dec. 1, 2021	$0.321875
Enbridge Inc.	Pref. Series 19	Nov. 15, 2021	Dec. 1, 2021	$0.30625
Lundin Mining Corporation	Common	Dec. 3, 2021	Dec. 15, 2021	$0.09
Pulse Seismic Inc.	Common	Nov. 12, 2021	Nov. 29, 2021	$0.0125
Pulse Seismic Inc.	Common	Nov. 12, 2021	Nov. 29, 2021	$0.04 (Special)

TMX TSX TRUST

DIVIDEND/DISTRIBUTION INFORMATION
The following dividend/distribution has been declared.

Company	Issue	Record Date	Payable Date	Rate
Shaw Communications Inc.	Class A shares	November 15, 2021	November 29, 2021	0.09542
Shaw Communications Inc.	Class B shares	November 15, 2021	November 29, 2021	0.09875

APPENDIX J

November 12, 2021

TO: POTENTIAL CREDITORS 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"):

Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made November 1, 2021 (the "**Claims Procedure Order**"), MNP Ltd., in its capacity as court-appointed liquidator (the "**Liquidator**") of First Hamilton has been authorized to conduct a claims procedure with respect to claims against First Hamilton in accordance with the terms of the Claims Procedure Order (the "**Claims Procedure**").

Enclosed please find the following:

1. A copy of the Notice to Creditors in connection with the call for claims, the Claims Procedure and Claims Bar Date;
2. A blank copy of the prescribed proof of claim form (the "**Proof of Claim**"); and
3. Instructions for the Claims Procedure as well as completion and submission of the Proof of Claim.

All persons wishing to participate in any distribution **MUST file a Proof of Claim with the Liquidator by no later than 5:00 p.m. (Toronto Time) on January 14, 2022 (the "Claims Bar Date").** To be accepted by the Liquidator, the Proof of Claim **MUST** be fully completed and executed by the person or an authorized signing officer of the creditor, and witnessed, then **DELIVERED** to the Liquidator by fax, email or mail, together with **ALL** necessary supporting documentation attached, **PRIOR TO THE CLAIMS BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.**

The Claims Procedure Order, the Claim Document Package, additional Proofs of Claim forms and related materials, can be found at the Liquidator's website at www.mnpdebt.ca/firsthamilton. All inquiries with respect to this Claims Procedure, should be directed to:

MNP LTD., in its capacity as Liquidator of First Hamilton
111 Richmond Street West, Suite 300
Toronto, ON M5H 2G4 Canada
Attention: Fatemah Khalfan
Telephone: (416) 596-1711
Facsimile: (416) 596-7894
E-mail: fatemah.khalfan@mnp.ca

Yours truly,

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.
Per:

_____
Deborah Hornbostel, *CPA, CA, CIRP, LIT, CFE*
Senior Vice President

Notice to Creditors

RE: Notice of Call for Claims, Claims Procedure and Claims Bar Date

NOTICE IS HEREBY GIVEN THAT, by Order of the Ontario Superior Court of Justice (Commercial List) made November 1, 2021 (the "**Claims Procedure Order**"), MNP Ltd., in its capacity as 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. (collectively "**First Hamilton**"), has been authorized to conduct a claims procedure with respect to claims against First Hamilton in accordance with the terms of the Claims Procedure Order.

All persons wishing to assert a Claim against First Hamilton must file a Proof of Claim with the Liquidator. **THE CLAIMS BAR DATE is 5:00 p.m. (Toronto Time) on January 14, 2022**. Proofs of Claim must be filed with the Liquidator on or before the Claims Bar Date.

PROOFS OF CLAIM MUST BE RECEIVED BY THE LIQUIDATOR BY THE CLAIMS BAR DATE OR THE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date, you shall not be entitled to participate in any distribution in respect of any such Claim.

The Claims Procedure Order, the Claims Document Package, additional Proofs of Claim and related materials, including the Liquidator's contact information, may be accessed from the Liquidator's website at www.mnpdebt.ca/firsthamilton, or by emailing the Liquidator at Fatemah.Khalfan@mnp.ca

DATED at Toronto, Ontario this 5th day of November, 2021.

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.
Per:

_____

Deborah Hornbostel, *CPA, CA, CIRP, LIT, CFE*
Senior Vice President

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE 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.

A. CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) made November 1, 2021 (the "**Claims Procedure Order**"), MNP Ltd. in its capacity as court-appointed Liquidator and manager (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. (collectively "**First Hamilton**"), has been authorized to conduct a claims procedure (the "**Claims Procedure**") with respect to claims against First Hamilton in accordance with the terms of the Claims Procedure Order.

Unless otherwise defined, all capitalized terms used herein shall have the meanings given to those terms in the Claims Procedure Order.

The Claims Procedure Order, the Claims Document Package, additional Proofs of Claim and related materials may be accessed from the Liquidator's website at www.mnpdebt.ca/firsthamilton.

This letter provides instructions for responding to or completing the Proof of Claim. Reference should be made to the Claims Procedure Order for a complete description of the Claims Procedure.

The Claims Procedure is intended for any Person with any Claims of any kind or nature whatsoever against, whether liquidated, unliquidated, contingent or otherwise. Please review the enclosed material for the complete definitions of a "Claim" to which the Claims Procedure applies.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

> 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.
> 300 - 111 Richmond Street West
> Toronto, ON M5H 2G4
>
> Attention: Fatemah Khalfan
> Email: Fatemah.Khalfan@mnp.ca

B. SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against one or more of the entities defined in the Claims Procedure Order as "First Hamilton", you must file a Proof of Claim with the Liquidator.

All Proofs of Claim must be received by the Liquidator by the Claims Bar Date.

PROOFS OF CLAIM MUST BE RECEIVED BY THE CLAIMS BAR DATE OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED. If you have a Claim and are required to file a Proof of Claim pursuant to the Claims Procedure but do not file a Proof of Claim in respect of a Claim by the Claims Bar Date you shall not be entitled to participate in any distribution in respect of such Claim.

Additional Proof of Claim forms can be obtained by contacting the Liquidator at the telephone numbers and address indicated above and providing particulars as to your name, address and facsimile number or email mail address. Additional Proof of Claim forms and related materials may be accessed from the Liquidator's web site at www.mnpdebt.ca/firsthamilton.

Where a Creditor files a Proof of Claim with the Liquidator, the Liquidator will review the Proof of Claim and, as soon as reasonably practicable, provide to the Creditor a response in writing by registered mail, courier service or email as to whether the Claim set out in the Proof of Claim is accepted, disputed in whole, or disputed in part. Where the Claim is disputed in whole or in part, the Liquidator will issue a Notice of Revision or Disallowance indicating the reasons for the dispute.
The Claims Procedure Order further provides that where a Creditor objects to a Notice of Revision or Disallowance, the Creditor must notify the Liquidator of the objection in writing by registered mail, courier service, facsimile or email within fifteen (15) days of receipt of the Notice of Revision or Disallowance. The Liquidator's contact information is below:

> MNP Ltd., in its capacity as court-appointed Liquidator
> and manager 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.
> 300 - 111 Richmond Street West
> Toronto, ON M5H 2G4
>
> Attention: Fatemah Khalfan
> Email: Fatemah.Khalfan@mnp.ca

The Creditor shall immediately thereafter serve on the Liquidator, a Notice of Motion, filed at the Court and made returnable within thirty (30) days after the date that the Liquidator received the Objection. The Notice of Motion is to be supported by a sworn affidavit setting out the reasons for the dispute.

DATED at Toronto, Ontario this 5th day of November, 2021.

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.
Per:

Deborah Hornbostel, *CPA, CA, CIRP, LIT, CFE*
Senior Vice President

PROOF OF CLAIM AGAINST FIRST HAMILTON HOLDINGS INC., FIRST HAMILTON FINANCIAL SERVICES INC., FIRST HAMILTON CAPITAL INC., FIRST HAMILTON GENERAL PARTNER 2 INC. AND / OR FIRST HAMILTON MORTGAGE BROKERS INC. (hereinafter collectively referred to as "First Hamilton")

Please read the enclosed Instruction Letter carefully prior to completing this Proof of Claim. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Claims Procedure Order dated November 1, 2021.

A. Particulars of Creditor

1. Full Legal Name of Creditor: _____ (the "**Creditor**") (*Full legal name should be the name of the original Creditor, regardless of whether an assignment of a Claim has been made.*)

2. Full Mailing Address of the Creditor (*the original Creditor, and not of any applicable assignee, referred to herein as an "Assignee"*):

_____

_____

_____

_____

3. Telephone Number: _____

   Email: _____

   Attention (Contact Person): _____

4. Has the Claim been sold, transferred or assigned by the Creditor to another party?

   Yes: **[___]**

   No: **[___]**

B. Particulars of Assignee(s) (If any):

1. Full Legal Name of Assignee(s): _____ (*If a portion of the Claim has been assigned, insert full legal name of Assignee(s) of the Claim. If there is more than one Assignee, please attach a separate sheet with the required information.*)

2. Full Mailing Address of Assignee(s): _____

3. Telephone Number of Assignee(s): _____

4. Email of Assignee(s): _____

5. Attention (Contact Person): _____

C. Proof of Claim:

I, _____ (*name of individual Creditor or representative of corporate Creditor*), of _____(*City, Province or State*) do hereby certify:

(a) that I

[____] am the Creditor; OR

[____] am _____ *(state position or title)* of _____ *(name of Corporate Creditor)*

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Creditor asserts its Claim against (identify the First Hamilton entity against whom you are asserting your Claim);

(d) The amount of the Creditor's Claim is

$_____

D. Particulars of Claim:

Other than as already set out herein, the particulars of the Claim is attached.

(Provide full particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, particulars and copies of any security and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed.)

E. Filing of Claims:

The Liquidator must receive this Proof of Claim before 5:00 p.m. (Toronto Time) on January 14, 2022 **(**the "**Claims Bar Date**").

FAILURE TO FILE YOUR PROOF OF CLAIM ON OR BEFORE THE CLAIMS BAR DATE WILL RESULT IN YOUR CLAIM BEING <u>BARRED</u> AND <u>EXTINGUISHED</u>

FOREVER, AND YOU WILL BE PROHIBITED FROM MAKING OR ENFORCING A CLAIM AGAINST FIRST HAMILTON IN RESPECT OF SUCH CLAIM.

This Proof of Claim must be delivered to the Liquidator by registered mail, personal delivery, email (in PDF format), courier or facsimile at the following addresses:

The Liquidator:

MNP Ltd., in its capacity as court-appointed Liquidator
and manager 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.

300 - 111 Richmond Street West
Toronto, ON M5H 2G4

Attention: Fatemah Khalfan
Email: Fatemah.Khalfan@mnp.ca

DATE: **NAME OF CREDITOR:**

_____ _____

Witness Signature

Per: _____

Name: _____

Title: _____

(Please Print)

APPENDIX K

FIRST HAMILTON HOLDINGS INC. ET AL
SUMMARY OF PROVEN CLAIMS
FILED BY JANUARY 31, 2022

CREDITOR	PROVEN CLAIM
AS2 Chartered Professional Accountant Professional Corporation formerly AS2 Chartered Accountant Professional Corporation	$ 25,622.75
Borden Ladner Gervais LLP	173,570.19
Dickinson Wright LLP	98,564.90
First Real Properties Limited	82,401.28
Hansell LLP	17,403.44
Hilborn LLP	13,560.00
Pace Securities Corp.	113,300.00
SS&C Fund Administration Company	19,775.00
Swithin Domingo	814.68
	$ 545,012.24

APPENDIX L

Ernst & Young Inc.
100 Adelaide Street West, P.O. Box 1
Toronto, ON M5H 0B3
Phone: (855) 943-7141 Fax (416) 943-3300
E-mail: pace.securities@ca.ey.com

District of: Ontario
Division No. 09 – Mississauga
Court No. 32-2780716
Estate No. 32-2780716

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

In the Matter of the Bankruptcy of
Pace Securities Corp.
of the City of Mississauga, in the Province of Ontario

All notices or correspondence regarding this claim should be forwarded to the following address:

c/o Jerry Henechowicz, MNP Ltd., Suite 300, 111 Richmond Street West, Toronto, ON M5H 2G4

In the matter of the bankruptcy of Pace Securities Corp. of the City of Mississauga, in the Province of Ontario, and the claim of First Hamilton Holdings Inc., creditor,

I, Jerry Henechowicz, residing in the City of Toronto, Province of Ontario, do hereby certify:

1. That I am a Senior Vice-President of MNP Ltd. in its capacity as court-appointed Liquidator of First Hamilton Holdings Inc., the creditor.

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of the bankruptcy, namely the 1st day of November, 2021, was and still is justly and truly indebted to the above-noted creditor (hereinafter referred to as the "creditor") in the sum of $20,000,000.00 as shown in Schedule "A" hereto after deducting any counterclaims to which the debtor is entitled.

4. That in respect of the said debt, no security is held or priority claimed.

5. That to the best of my knowledge and belief, the creditor and the debtor are not related as defined in Section 4 of the *Act*.

6. That the payments received and/or credits granted by the debtor within the three months (OR, IF THE CREDITOR AND THE DEBTOR ARE RELATED AS DEFINED IN SECTION 4 OF THE BANKRUPTCY ACT, WITHIN TWELVE MONTHS) immediately preceding the date of bankruptcy, are: None.

DATED at Toronto this 12th day of January, 2022.

Anita Henechowicz
witness

signature of individual completing this claim

WARNING: SUBSECTION (1) OF SECTION 201 OF THE BANKRUPTCY ACT PRESCRIBES SEVERE PENALTIES FOR MAKING ANY FALSE CLAIM, DECLARATION OR STATEMENT OF ACCOUNT.

SCHEDULE "A"

1. First Hamilton Holdings Inc. ("**FHH**") claims as against Pace Securities Limited ("**PSC**"):

   a. Damages in the amount of $20,000,000 for breach of contract, or, in the alternative, breach of fiduciary duty, or, in the further alternative, negligence;

   b. an order requiring PSC to repay any and all amounts paid to it by FHH in respect of fees for services rendered, including investment fees and / or management fees;

   c. costs of this action on a full indemnity, or in the alternative, substantial, or partial indemnity basis;

   d. interest on all amounts ordered to be paid; and,

   e. such further and other amounts as to this Honourable Court may seem just.

THE PARTIES AND THE INVESTMENTS

2. FHH was created as, and carried on business as, a business investment corporation through which qualified investors (the "**Investors**") would earn prescribed cumulative dividends from FHH investing in various securities.

3. FHH retained PSC to act as its portfolio manager, to invest FHH's funds in various securities (the "**FHH Investments**") in a manner that complied with all legal requirements, and the terms of FHH's Offering Memorandum (the "**OM**"), that was appropriate for the Investors, and that maximized returns for the Investors.

BREACH OF CONTRACT

11. PSC breached its agreement with FHH when PSC:

    a. purchased and sold securities that:

        1. did not meet the requirements set out in the OM to potential investors; and,

        2. were entirely inappropriate for the Investors, given their particular personal circumstances;

    b. failed to properly train and monitor its employees and agents with respect to the requirements of the OM, both at the outset, and on an ongoing basis, and as to what securities were appropriate for the Investors and their accounts;

    c. failed to properly supervise its brokers, including LBS, to ensure that the securities purchased and sold, and that were maintained in the FHH accounts, met the requirements of the OM, and were appropriate for the Investors;

    d. failed to monitor and review the FHH Investments, and in particular, the securities that were in the respective accounts at LBS, to ensure that they complied at all times with the requirements of the OM and were appropriate for the Investors; and,

e. failed to properly advise FHH with respect to the FHH Investments, including with respect to the loans on margin with LBS.

BREACH OF FIDUCIARY DUTY

12. PSC was also aware that FHH reposed trust and confidence in PSC to act as its portfolio manager, and that FHH and the Investors were particularly vulnerable to PSC and its actions.

13. As a result, PSC owed FHH fiduciary duties, including duties to act with utmost good faith, to ensure that their own interests did not conflict with those of FHH, and not to prefer their own interests to those of FHH.

14. PSC breached its fiduciary duties owed to FHH when its failed to act with utmost good faith and did prefer its own interests to those of FHH.

15. Particulars of the misconduct are set out in paragraph 11 above.

NEGLIGENCE

16. PSC also owed a duty of care to FHH when performing its roles and exercising its functions to ensure that it did so with all reasonable care, skill and knowledge.

17. As a result of the conduct pleaded in paragraph 11 above, PSC breached the duty of care it owed to FHH, and was therefore negligent.

18. As a result of PSC's conduct, FHH suffered loss and damage.

DAMAGE AND LOSS

19. FHH suffered serious economic harm and damage as a result of PSC's conduct, and as a result, was forced to cease operating and undertake the complete liquidation of its business and assets.

20. Some of the Investors that held preference shares in FHH commenced proceedings against FHH and other related entities that resulted in a resolution of some of their claims. However, the claims of other Investors that held common shares in FHH, and were not among those that commenced the said proceedings, remain outstanding and unresolved.

21. FHH's losses and damage include the regular and ongoing returns that would have accrued to them, but for PSC's actions.

22. FHH claims damages from PSC in that regard in the amount of $20,000,000, full particulars of which will be provided prior to trial.

23. Further, FHH paid ongoing management and / or investment fees to PSC that were of no value and that were paid under the mistaken belief that PSC had been properly performing its function as portfolio manager.

24. As a result of PSC's conduct as pleaded herein, PSC ought to return and refund all of the amounts paid to it by FHH, and FHH claims the return of those amounts.

Ernst & Young Inc.
100 Adelaide Street West, P.O. Box 1
Toronto, ON M5H 0B3
Phone: (855) 943-7141 Fax (416) 943-3300
E-mail: pace.securities@ca.ey.com

District of: Ontario
Division No. 09 – Mississauga
Court No. 32-2780716
Estate No. 32-2780716

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

In the Matter of the Bankruptcy of
Pace Securities Corp.
of the City of Mississauga, in the Province of Ontario

All notices or correspondence regarding this claim should be forwarded to the following address:

c/o Jerry Henechowicz, MNP Ltd., Suite 300, 111 Richmond Street West, Toronto, ON M5H 2G4

In the matter of the bankruptcy of Pace Securities Corp. of the City of Mississauga, in the Province of Ontario, and the claim of First Hamilton Holdings Inc., creditor,

I, Jerry Henechowicz, residing in the City of Toronto, Province of Ontario, do hereby certify:

1. That I am a Senior Vice-President of MNP Ltd. in its capacity as court-appointed Liquidator of First Hamilton Holdings Inc., the creditor.

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of the bankruptcy, namely the 1st day of November, 2021, was and still is justly and truly indebted to the above-noted creditor (hereinafter referred to as the "creditor") in the sum of $20,000,000.00 as shown in Schedule "A" hereto after deducting any counterclaims to which the debtor is entitled.

4. That in respect of the said debt, no security is held or priority claimed.

5. That to the best of my knowledge and belief, the creditor and the debtor are not related as defined in Section 4 of the *Act*.

6. That the payments received and/or credits granted by the debtor within the three months (OR, IF THE CREDITOR AND THE DEBTOR ARE RELATED AS DEFINED IN SECTION 4 OF THE BANKRUPTCY ACT, WITHIN TWELVE MONTHS) immediately preceding the date of bankruptcy, are: None.

DATED at Toronto this day of January, 2022.

_____ _____
witness signature of individual completing this claim

WARNING: SUBSECTION (1) OF SECTION 201 OF THE BANKRUPTCY ACT PRESCRIBES SEVERE PENALTIES FOR MAKING ANY FALSE CLAIM, DECLARATION OR STATEMENT OF ACCOUNT.

SCHEDULE "A"

1. First Hamilton Holdings Inc. ("**FHH**") claims as against Pace Securities Limited ("**PSC**"):

   a. Damages in the amount of $20,000,000 for breach of contract, or, in the alternative, breach of fiduciary duty, or, in the further alternative, negligence;

   b. an order requiring PSC to repay any and all amounts paid to it by FHH in respect of fees for services rendered, including investment fees and / or management fees;

   c. costs of this action on a full indemnity, or in the alternative, substantial, or partial indemnity basis;

   d. interest on all amounts ordered to be paid; and,

   e. such further and other amounts as to this Honourable Court may seem just.

THE PARTIES AND THE INVESTMENTS

2. FHH was created as, and carried on business as, a business investment corporation through which qualified investors (the "**Investors**") would earn prescribed cumulative dividends from FHH investing in various securities.

3. FHH retained PSC to act as its portfolio manager, to invest FHH's funds in various securities (the "**FHH Investments**") in a manner that complied with all legal requirements, and the terms of FHH's Offering Memorandum (the "**OM**"), that was appropriate for the Investors, and that maximized returns for the Investors.

4. PSC in turn retained Laurentian Bank Securities Inc. ("**LBS**") at act as FHH's carrying broker, to open accounts for the purpose of holding the FHH Investments, purchasing and selling the securities that formed the FHH Investments on behalf of FHH, and to effect the various transactions for the purchase and sale of securities for FHH.

5. PSC advised FHH in all respects with respect to the FHH Investments, including which securities to purchase and when, and which securities to sell and when, and the use of margin loans and trading on margin.

6. At all material times, FHH relied on PSC's advice with respect to the FHH Investments, which was known to PSC.

7. PSC charged FHH ongoing management and / or investment fees for its services, that FHH paid on a regular basis.

8. FHH subsequently incurred substantial losses with respect to the FHH Investments, and was forced by LBS to liquidate certain securities at a loss to cover various margin loans.

9. FHH subsequently learned that PSC failed to comply with their obligations owed to FHH, as particularized below.

10. Prior to that time, FHH was unaware of any problems with the FHH Investments, or that the PSC did not comply, or may not have complied with, the OM.

BREACH OF CONTRACT

11. PSC breached its agreement with FHH when PSC:

a. purchased and sold securities that:

1. did not meet the requirements set out in the OM to potential investors; and,

2. were entirely inappropriate for the Investors, given their particular personal circumstances;

b. failed to properly train and monitor its employees and agents with respect to the requirements of the OM, both at the outset, and on an ongoing basis, and as to what securities were appropriate for the Investors and their accounts;

c. failed to properly supervise its brokers, including LBS, to ensure that the securities purchased and sold, and that were maintained in the FHH accounts, met the requirements of the OM, and were appropriate for the Investors;

d. failed to monitor and review the FHH Investments, and in particular, the securities that were in the respective accounts at LBS, to ensure that they complied at all times with the requirements of the OM and were appropriate for the Investors; and,

e. failed to properly advise FHH with respect to the FHH Investments, including with respect to the loans on margin with LBS.

BREACH OF FIDUCIARY DUTY

12. PSC was also aware that FHH reposed trust and confidence in PSC to act as its portfolio manager, and that FHH and the Investors were particularly vulnerable to PSC and its actions.

13. As a result, PSC owed FHH fiduciary duties, including duties to act with utmost good faith, to ensure that their own interests did not conflict with those of FHH, and not to prefer their own interests to those of FHH.

14. PSC breached its fiduciary duties owed to FHH when its failed to act with utmost good faith and did prefer its own interests to those of FHH.

15. Particulars of the misconduct are set out in paragraph 11 above.

NEGLIGENCE

16. PSC also owed a duty of care to FHH when performing its roles and exercising its functions to ensure that it did so with all reasonable care, skill and knowledge.

17. As a result of the conduct pleaded in paragraph 11 above, PSC breached the duty of care it owed to FHH, and was therefore negligent.

18. As a result of PSC's conduct, FHH suffered loss and damage.

DAMAGE AND LOSS

19. FHH suffered serious economic harm and damage as a result of PSC's conduct, and as a result, was forced to cease operating and undertake the complete liquidation of its business and assets.

20. Some of the Investors that held preference shares in FHH commenced proceedings against FHH and other related entities that resulted in a resolution of some of their claims. However, the claims of other Investors that held common shares in FHH, and were not among those that commenced the said proceedings, remain outstanding and unresolved.

21. FHH's losses and damage include the regular and ongoing returns that would have accrued to them, but for PSC's actions.

22. FHH claims damages from PSC in that regard in the amount of $20,000,000, full particulars of which will be provided prior to trial.

23. Further, FHH paid ongoing management and / or investment fees to PSC that were of no value and that were paid under the mistaken belief that PSC had been properly performing its function as portfolio manager.

24. As a result of PSC's conduct as pleaded herein, PSC ought to return and refund all of the amounts paid to it by FHH, and FHH claims the return of those amounts.

APPENDIX M

District of: Ontario
Division No. 09 - Mississauga
Court No. 32-2780716
Estate No. 32-2780716

FORM 77

Notice of Disallowance of Claim, Right to Priority or Security or Notice of Valuation of Claim
(Subsection 135(3) of the Act)

In the Matter of the Bankruptcy of
Pace Securities Corp.
of the City of Mississauga, in the Province of Ontario

MNP Ltd., Liquidator of First Hamilton Holdings Inc.
c/o MNP Ltd., 300-111 Richmond St. W.
Toronto ON M5H 2G4

Take notice that:

As trustee acting in the matter of the bankruptcy of Pace Securities Corp., we have disallowed your claim (or your right to a priority or your security on the property) in whole, pursuant to subsection 135(2) of the Act, for the following reasons:

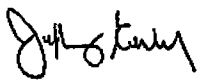
1. At all relevant times, Pace Securities Corporation ("PSC") and First Hamilton Holdings Inc. ("FHH") were under common management and control. Among other things:
- Joseph Thomson was a director of PSC and the President and Chief Executive Officer of PSC.
- Joseph Thomson was a director and the Chief Executive Officer of FHH and its most significant shareholder.

2. FHH has not established any inappropriate business conduct by PSC towards FHH.
3. PSC would have no liability to FHH for any of the causes of action alleged by FHH by virtue of FHH's imputed knowledge of and participation and/or acquiescence in the conduct alleged as against PSC.
4. To the extent that FHH did not comply with any legal or regulatory requirements, including purchasing or selling securities that did not comply with its offering memoranda, FHH has sole responsibility.
5. PSC is not responsible for the liquidation of FHH. FHH voluntarily sought its own liquidation.
6. The damages and losses alleged by FHH are excessive and remote, and in any event, any such damages and losses were not caused by PSC.

And further take notice that if you are dissatisfied with our decision in disallowing your claim in whole (or a right to rank or your security or valuation of your claim), you may appeal to the court within the 30-day period after the day on which this notice is served, or within any other period that the court may, on application made within the same 30-day period, allow.

Dated at the City of Toronto in the Province of Ontario, this 19th day of January 2022.

Ernst & Young Inc. - Licensed Insolvency Trustee
Per:



Jeffrey D. Kerbel - Licensed Insolvency Trustee
100 Adelaide Street West, P.O. Box 1
Toronto ON M5H 0B3
Phone: (855) 943-7141 Fax: (416) 943-3300

APPENDIX N

IN THE MATTER OF THE WINDING UP OF FIRST HAMILTON HOLDINGS INC. AND CERTAIN OF ITS RELATED AND AFFILIATED ENTITIES
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDED FEBRUARY 16, 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
	1,019,661.10
DISBURSEMENTS	
Legal fees & disbursements	210,562.35
Liquidator fees & disbursements	175,122.99
HST paid	47,299.37
Occupation rent	13,785.14
Advertisement of Claims Process	4,177.06
Bank charges	118.19
Ontario Gazette notices	75.00
	451,140.10
EXCESS OF CASH RECEIPTS OVER DISBURSEMENTS	**$ 568,521.00**

APPENDIX O

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 February 22, 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 Statements of Account in connection with its appointment as Liquidator detailing its services rendered and disbursements incurred for the period October 23, 2021 to February 14, 2022. 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 $513.16.

5. This Affidavit is made in support of a motion to, *inter alia*, approve the accounts of the Liquidator.

SWORN Remotely before me and
stated as being in the City of Toronto,
in accordance with O. Reg 431/20,
administering oath remotely on this
22nd day of February, 2022.

A Commissioner, etc.

JERRY HENECHOWICZ

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me video conference

This 22nd day of February, 2022

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 OCTOBER 23, 2020 TO FEBRUARY 14, 2022

MNP INV	DATE	HOURS	FEES	DISBURSEMENTS	HST	TOTAL
10097080	Nov-30-21	47.55	$ 26,317.25	$ -	$ 3,421.28	$ 29,738.53
10194560	19-Feb-2022	43.05	20,174.75	-	2,622.72	22,797.47
		90.60	**$ 46,492.00**	**$ -**	**$ 6,044.00**	**$ 52,536.00**

Average Hourly Rate	**$ 513.16**

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF JERRY HENECHOWICZ

Sworn before me video conference

This 22nd day of February, 2022

Commissioner for taking Affidavits, etc

Invoice

MNP LTD

Invoice Number :	**10097080**	**Client Number : 0824008**	
Invoice Date :	**Nov 30 2021**	**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 as Court appointed Liquidator of First Hamilton Holdings et al for the period ended November 29, 2021 as set out on the attached time and billing summary.	26,317.50
Harmonized Sales Tax :	3,421.28
Total (CAD) :	29,738.78

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 INC. et al

FOR THE PERIOD ENDED NOVEMBER 29, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
23-Oct-2021	Jerry Henechowicz	2.10	Additional drafts of third report
24-Oct-2021	Jerry Henechowicz	2.10	Completion of first draft sending same to M Abramowitz for review
24-Oct-2021	Matthew Lem	.10	Commission fee affidavit and forward to M. Abramowitz.
24-Oct-2021	Deborah Hornbostel	1.80	Review and amend draft Third Report to Court
25-Oct-2021	Jerry Henechowicz	.30	Emails re DAFC potential sales of investments
25-Oct-2021	Jerry Henechowicz	.90	Various amendments and adjustments related to finalization and filing of 3rd report
25-Oct-2021	Deborah Hornbostel	1.30	Review and amend draft 3rd report, Claims Procedure Order and Corollary Relief Order from Blaney
26-Oct-2021	Jerry Henechowicz	.70	Posting of motion record to webpage, review of emails related to consents, update on same with M Abramowitz
26-Oct-2021	Fatemah Khalfan	.40	Posting done to Sitecore
27-Oct-2021	Jerry Henechowicz	.30	webpage update
27-Oct-2021	Deborah Hornbostel	.30	Review emails re Motion Record application and subsequent issue, respond and diarize hearing
29-Oct-2021	Deborah Hornbostel	.20	Emails with Mervyn and Jerry re claims bar date, review emails to EY/Chaitons wrt changing of dates
01-Nov-2021	Jerry Henechowicz	1.20	Follow up on Court attendance and order granted, emails with MNP assurance regarding updating financials, call with Counsel and Chaitons re: format of releases, liquidator's consent and signatories
01-Nov-2021	Mubeen Ghouri	.25	Pull Qb files gl, tb etc
01-Nov-2021	Fatemah Khalfan	.40	Posting done to Sitecore
01-Nov-2021	Deborah Hornbostel	2.10	Prepare for and attend at Court hearing, review draft settlement agreement and email from Mervyn Abramowitz re Sian clause, receipt of and arranging for posting of Koehnen Endorsement, mtg with counsel to discuss draft settlement agreement issues
02-Nov-2021	Jerry Henechowicz	.70	Call to arrange preparation of updated financials for dissolution and preparation of claims process package
02-Nov-2021	Mubeen Ghouri	.50	Meeting re financing updates
02-Nov-2021	Fatemah Khalfan	.40	Emails exchanged with J. Henechowicz re getting access to the file to C. Manion and M. Ghouri; request sent to IT
02-Nov-2021	Fatemah Khalfan	.50	Received draft newspaper ad for First Hamilton from D. Hornbostel; emailed to Globe and Mail and received response; emails exchanged with D.
02-Nov-2021	Deborah Hornbostel	4.80	Review email from Mervyn Abramowitz and signed order, prepare draft Globe and Mail ad and send to Fatemah for placement, prepare documents for

MNP LTD
COURT APPOINTED LIQUIDATOR OF FIRST HAMILTON HOLDINGS INC. et al

FOR THE PERIOD ENDED NOVEMBER 29, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
03-Nov-2021	Deborah Hornbostel	1.10	Review and approve draft G&M ad re claims and disbursement, receipt of court stamped Claims approval order, arrange for posting of it, review website posting issues with Fatemah for improvement, pdf and provide Claims documents for website posting
04-Nov-2021	Jerry Henechowicz	.60	emails with Laurentian re sale of source bonds, follow up on claims process
05-Nov-2021	Jerry Henechowicz	.50	Preparation of Oct 2021 billing
05-Nov-2021	Deborah Hornbostel	.70	Email to assurance team to f/u on Quickbooks status, review entire file directory for creditor info
08-Nov-2021	Jerry Henechowicz	1.30	Review of files to develop creditor listing, arranging for transfer of LBS funds to Trust account, email to TD to increase GIC
08-Nov-2021	Fatemah Khalfan	.30	Banking deposit - cashing term deposit - posting done to Ascend; sent email to J. Henechowicz
08-Nov-2021	Fatemah Khalfan	.30	Emails exchanged with the Globe and Mail re tear sheet for ad that was published on November 5, 2021; received copy and sent to J. Henechowicz
08-Nov-2021	Deborah Hornbostel	1.10	Review creditor documents and enter creditor info into Ascend, f/u with Fatemah re website posting issues
09-Nov-2021	Jerry Henechowicz	.50	Review of files to confirm creditors list
09-Nov-2021	Fatemah Khalfan	3.50	Cleaning up website; several emails exchanged with K Petryk, and T. Burningham
09-Nov-2021	Deborah Hornbostel	.60	Email to Ryan Sakauye and Mubeen Ghouri re Quickbooks status, mtg with them to discuss findings to date, instructions for website postings to Fatemah
10-Nov-2021	Jerry Henechowicz	1.30	Review of accounting records for information on potential creditors and other follow up related to claims process mailing
10-Nov-2021	Fatemah Khalfan	1.50	Finished up clean up of web page and posting of other documents
10-Nov-2021	Deborah Hornbostel	2.20	Review website updates and provide further amendment instructions and documents to Khalfan for posting, em to Jerry for corollary court order, review QuickBooks info for creditor info and add to data base
11-Nov-2021	Jerry Henechowicz	.80	Further review for creditor names.
11-Nov-2021	Fatemah Khalfan	.60	Reviewed emails between J. Henechowicz and TD bank re GIC purchase and interest earned; prepared receipt voucher and purchase voucher (for term
11-Nov-2021	Fatemah Khalfan	1.00	Additional revisions/edits done to the webpage
11-Nov-2021	Deborah Hornbostel	2.40	Review email from Abramovich re court order status, review updated website, review Court Order re Claims process and update JH re status, thoroughly review Quickbooks info and file documents wrt creditor additions, enter into Ascend for mailing, email draft list to JH for review
12-Nov-2021	Jerry Henechowicz	.90	Review of claims mailing package, review and update of mailing list
12-Nov-2021	Fatemah Khalfan	1.10	Claims procedure packages assembled and printed; mailed and emailed

MNP LTD
COURT APPOINTED LIQUIDATOR OF FIRST HAMILTON HOLDINGS INC. et al

FOR THE PERIOD ENDED NOVEMBER 29, 2021

DATE	PROFESSIONAL	HOURS	DESCRIPTION
12-Nov-2021	Deborah Hornbostel	1.50	Finalize creditor mailing list and claims procedure package for issuance, instructions to Fatemah
15-Nov-2021	Fatemah Khalfan	.40	Prepared Affidavit of mailing re mailing of Claims Procedure package; given to M. Lem for signing, saved to client folder
16-Nov-2021	Fatemah Khalfan	.30	Posting done to webpage (Order re Corollary Relief)
17-Nov-2021	Patricia Ball	.10	Oct Bank Rec
17-Nov-2021	Fatemah Khalfan	.30	Reviewed POC received from creditor; entered to Ascend and saved to client file; email sent to J. Henechowicz and D, Hornbostel
25-Nov-2021	Fatemah Khalfan	.50	POC received; reviewed, entered to Ascend and saved to client folder;
26-Nov-2021	Deborah Hornbostel	.60	Review claim submission from Dickinson Wright, email to J. Henechowicz re discrepancy on it
29-Nov-2021	Deborah Hornbostel	.20	Email to D. Sheldon re POC
		47.55	

BILLING SUMMARY			
PROFESSIONAL	**HOURS**	**HOURLY RATE**	**AMOUNT**
Deborah Hornbostel	20.90	670.00	14,003.00
Fatemah Khalfan	11.50	215.00	2,472.50
Jerry Henechowicz	14.20	670.00	9,514.00
Matthew Lem	0.10	625.00	62.50
Mubeen Ghouri	0.75	325.00	243.75
Patricia Ball	0.10	215.00	21.50
Total	**47.55**		**26,317.25**

Invoice

MNP LTD

Invoice Number :	**10194560**	**Client Number : 0824008**	
Invoice Date :	**Feb 19 2022**	**Invoice Terms : Due Upon Receipt**	

First Hamilton Holdings Inc. et al
c/o MNP Ltd - Court Appointed Liquidator
111 Richmond St. W, Suite 300
Toronto, ON, M5H 1P5

For Professional Services Rendered :

Professional services as Court-appointed Liquidator of First Hamilton Holdings Inc. et al for the period ended February 14, 2022 as set out on the attached time and billing summary	20,174.75
Harmonized Sales Tax :	2,622.72
Total (CAD) :	22,797.47

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 INC. ET AL

FOR THE PERIOD ENDED FEBRUARY 14, 2022

DATE	PROFESSIONAL	HOURS	DESCRIPTION
02-Nov-2021	Ryan Sakauye	.50	Call with Jerry, Cathy, Mubeen, prep for call, follow up, review info
03-Nov-2021	Jerry Henechowicz	.60	Call with Ryan Skyluna on updating financials, update re claims process
03-Nov-2021	Fatemah Khalfan	.20	Emails exchanged with J. Henechowicz re granting access to Assurance team
03-Nov-2021	Fatemah Khalfan	.30	Emails exchanged with D. Hornbostel re newspaper ad; newspaper ad finalized with Globe and Mail
03-Nov-2021	Fatemah Khalfan	.50	Discussion with D. Hornbostel re postings on webpage; posting done to Site Core
05-Nov-2021	Mubeen Ghouri	3.00	Open 5 entities QB files, extract reports, credit listing and OS lsit
05-Nov-2021	Fatemah Khalfan	.20	Entered cheque into Ascend; printed deposit slip
09-Nov-2021	Mubeen Ghouri	1.50	meeting and update creditor list
11-Nov-2021	Ryan Sakauye	.20	Review info, instructions to Mubeen, meetings
12-Nov-2021	Ryan Sakauye	.25	Call with Jerry/Mubeen, update, missing info
12-Nov-2021	Mubeen Ghouri	3.00	prepare Caseware and OS list
17-Nov-2021	Jerry Henechowicz	.30	Review of Landlord claim
01-Dec-2021	Jerry Henechowicz	.20	Update call with M Abramowitz regarding status of proceedings
03-Dec-2021	Fatemah Khalfan	.50	Cheque requisition prepared and sent to J. Henechowicz and M. Lem for signing; received back and put through Ascend for e-signing; printed cheque; scanned; left at
03-Dec-2021	Fatemah Khalfan	.40	Voice message received from P. Hans at BLG LLP about Claims procedure package and asking about payment on their claim; called her back to discuss; requested information pertaining to their claim which she said she will email me with, and I told her that I would discuss with the Trustee and someone would get back to her
06-Dec-2021	Jerry Henechowicz	.30	Review of Blaney McMurtry accounts and arranging payment of same
06-Dec-2021	Fatemah Khalfan	.40	Printed cheque for MNP; scanned and saved to folder; gave cheque to
06-Dec-2021	Fatemah Khalfan	.80	Emails exchanged with J. Henechowicz and D. Hornbostel re POC received from Hansell, and also voice message received from BLG; replied Hansell on their POC that we don't require paper copy; email is sufficient; forwarded voice message to D. Hornbostel
06-Dec-2021	Deborah Hornbostel	.30	Review and respond to vm from Prableen of BLG and em from Don Sheldon of DW
07-Dec-2021	Jerry Henechowicz	.10	Payment of Blaney McMurtry accounts
07-Dec-2021	Fatemah Khalfan	.40	POC received from Hilburn LLP; reviewed; entered to Ascend and saved to client folder; email sent to D. Hornbostel and J. Henechowicz
07-Dec-2021	Fatemah Khalfan	.40	Email received from BLG LLP with documentation but no POC; forwarded to D. Hornbostel and J. Henechowicz

MNP LTD.
COURT APPOINTED LIQUIDATOR OF FIRST HAMILTON HOLDINGS INC. ET AL

FOR THE PERIOD ENDED FEBRUARY 14, 2022

DATE	PROFESSIONAL	HOURS	DESCRIPTION
07-Dec-2021	Fatemah Khalfan	.50	Cheque requisition prepared and sent to S. Title and J. Henechowicz for signing; received back and put through Ascend for e-signing; printed cheque and arranged for courier
07-Dec-2021	Deborah Hornbostel	.30	Review and file amended claim from Dickinson Wright and emails from F Fatemah re other claims received today
08-Dec-2021	Fatemah Khalfan	.30	Email sent to BLG LLP re they need to fill out a POC and send it to us
08-Dec-2021	Jerry Henechowicz	.40	Review of claims filed
09-Dec-2021	Jerry Henechowicz	.40	Reveiw of claims status
13-Dec-2021	Fatemah Khalfan	.40	POC received from BLG LLP; printed with backup, assembled and scanned to client folder; admitted to Ascend; email sent to J. Henechowicz and D. Hornbostel
14-Dec-2021	Patricia Ball	.10	Nov Bank Rec
03-Jan-2022	Jerry Henechowicz	.30	Emails with Paliare and Blaney re potential claim against Pace entities in Liquidation
04-Jan-2022	Jerry Henechowicz	1.10	Preparation for and attending to calls and emails related to potential claim against Pace Securities et al
06-Jan-2022	Jerry Henechowicz	1.10	Preparation for and conference call re potential FHH claim against PSC and PFL
06-Jan-2022	Ryan Sakauye	.20	File update call with J. Henechowicz
07-Jan-2022	Jerry Henechowicz	1.50	Call with M Abramowitz to review potential claim, review of draft notice of action for determining claim purposes
07-Jan-2022	Ryan Sakauye	.20	File update call with J. Henechowicz
10-Jan-2022	Jerry Henechowicz	1.10	Reviews of draft claims and class with M Abramowitz on point
10-Jan-2022	Fatemah Khalfan	.40	Prepared cheque requisition for Blaney McMurtry Invoice; sent to J. Henechowicz for review
10-Jan-2022	Fatemah Khalfan	.40	Received Invoice from Globe and Mail for advertisement place; prepared cheque requisition and sent to J. Henechowicz for review/signature
10-Jan-2022	Fatemah Khalfan	.50	Query received from creditor about POC; sent to J. Henechowicz and D. Hornbostel; received response back and replied to creditor; forwarded a POC received to J. Henechowicz and D. Hornbostel
11-Jan-2022	Jerry Henechowicz	1.10	Review of Notice of Action to support Pace Claim, call with Pace Liquidator and counsel on point, review of amended Notice of Action and emails to Blaney to assist.
11-Jan-2022	Cathy Manion	1.50	review o/s information listing, update FS and file - determine next steps
11-Jan-2022	Fatemah Khalfan	.40	Cheque printed and mailed out to Globe and Mail; email sent to them advising of so
12-Jan-2022	Jerry Henechowicz	.80	Review, execution and sending of PSC proof of claim
13-Jan-2022	Jerry Henechowicz	.80	Review of claims submitted update with counsel, submission of MNP claim

MNP LTD.
COURT APPOINTED LIQUIDATOR OF FIRST HAMILTON HOLDINGS INC. ET AL

FOR THE PERIOD ENDED FEBRUARY 14, 2022

DATE	PROFESSIONAL	HOURS	DESCRIPTION
13-Jan-2022	Fatemah Khalfan	.60	Two POCs received; entered and saved to client folder and forwarded to D. Hornbostel and J. Henechowicz; email sent to a creditor with reminder of deadline to file POC
13-Jan-2022	Deborah Hornbostel	.20	Review claim of SS&C Fund and provide instructions to Fatemah
14-Jan-2022	Fatemah Khalfan	.30	POC received; reviewed and entered to Ascend; saved to client folder and update sent to J. Henechowicz and D. Hornbostel
14-Jan-2022	Deborah Hornbostel	.10	Review and approve POC
18-Jan-2022	Patricia Ball	.10	Dec Bank Rec
19-Jan-2022	Jerry Henechowicz	.50	Receipt and review of Notice of Disallowance re FHH Claim against PSC. Forwarding same to M Abramowitz at Blaney
19-Jan-2022	Fatemah Khalfan	.30	Notice of Disallowance received for our POC, from Pace Securities; forwarded to J. Henechowicz and D. Hornbostel
19-Jan-2022	Ryan Sakauye	.30	Meeting with Cathy, update, questions
20-Jan-2022	Jerry Henechowicz	.60	Review of claims filed, bank position, review of disallowance with M. Abramowitz
24-Jan-2022	Jerry Henechowicz	.80	Preparation for and call with M Abramowitz to review next steps in completing administration, review of options with Sheldon Title
26-Jan-2022	Jerry Henechowicz	.80	Initial report drafting
27-Jan-2022	Jerry Henechowicz	.60	Emails related to disallowance of claim against PSC, review of next steps with Blaney McMurtry
01-Feb-2022	Jerry Henechowicz	1.30	Preparation for and call with E&Y re disallowance of claim and discharge of Liquidation, drafting of correspondence to stakeholders re potential assignment of PSC Claim, review of Notice of Action drafted by M. Abramowitz
02-Feb-2022	Jerry Henechowicz	1.20	Finalizing and arranging of sending notice to creditors
02-Feb-2022	Fatemah Khalfan	3.20	Compiled mailing list and sent to J. Henechowicz; draft letter received with attachments received; emails exchanged with J. Henechowicz until package finalized; discussion with S. Hardayal and G. Sabatino re courier; information emailed to J. Henechowicz; packages printed, assembled, emailed out, and courier arranged; confirmation sent to J. Henechowicz; emails exchanged with M. Leskovec on package he received via email; changed courier address; forwarded to J. Henechowicz
07-Feb-2022	Jerry Henechowicz	.80	Review and approval of legal fees, initial drafting of discharge report
08-Feb-2022	Jerry Henechowicz	.50	Review of distribution memo
08-Feb-2022	Fatemah Khalfan	.50	Cheque requisition prepared for Blaney McMurtry fees; sent to J. Henechowicz for signing; received back; put through Ascend; cheque printed and courier arranged
10-Feb-2022	Jerry Henechowicz	1.10	Drafting of report
11-Feb-2022	Patricia Ball	.10	Jan Bank Rec

MNP LTD.
COURT APPOINTED LIQUIDATOR OF FIRST HAMILTON HOLDINGS INC. ET AL

FOR THE PERIOD ENDED FEBRUARY 14, 2022

DATE	PROFESSIONAL	HOURS	DESCRIPTION
14-Feb-2022	Jerry Henechowicz	1.00	Discussion with Blaney regarding discharge relief, report drafting
		43.05	

BILLING SUMMARY			
PROFESSIONAL	**HOURS**	**HOURLY RATE**	**AMOUNT**
Cathy Manion	1.50	260.00	390.00
Deborah Hornbostel	0.90	650.00	585.00
Fatemah Khalfan	11.90	260.00	3,094.00
Jerry Henechowicz	19.30	670.00	12,931.00
Mubeen Ghouri	7.50	300.00	2,250.00
Patricia Ball	0.30	195.00	58.50
Ryan Sakauye	1.65	525.00	866.25
Total	**43.05**		**20,174.75**

APPENDIX P

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 T

I, **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 November 1, 2021, to January 31, 2022 (the "**Accounts**"). The Accounts total $39,012.12, inclusive of fees, disbursements and HST.

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 – 50.4 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 City of Toronto, in the Province of Ontario, on February 23, 2022, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits
MERVYN ABRAMOWITZ

LOU BRZEZINSKI

THIS IS EXHIBIT "A" REFERRED

TO IN THE AFFIDAVIT OF

LOU BRZEZINSKI SWORN BEFORE ME

THIS 23rd DAY OF FEBRUARY, 2022.

A Commissioner of Oaths
MERVYN ABRAMOWITZ

Blaney McMurtry LLP

Blaney McMurtry LLP | Lawyers
2 Queen Street East | Suite 1500
Toronto, Ontario M5C 3G5
T 416-593-1221
W Blaney.com

HST REGISTRATION # R119444149

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

Date
November 30, 2021

Invoice No.
727062

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 November 30, 2021 as more particularly described below.

Date	Lawyer	Time	Description
October 1, 2021	MA	0.40	Correspondence and telephone conversation with J. Henechowicz re: report of Liquidator, and next steps
October 4, 2021	MA	1.00	Review draft revised Second Report, and instructions to J. Balvers re: completion of Motion Record; set case up for CaseLines
October 6, 2021	MA	0.40	Correspondence with J. Wright, J. Henechowicz re: timing of allocation motion; correspondence with J. Kerbel
October 7, 2021	MA	0.50	Correspondence and telephone calls with J. Henechowicz, G. Benchetrit re: responses to PRRR motion re: allocation and distribution approval motion and claims process motions
October 14, 2021	MA	1.50	Correspondence to and receipt and review correspondence of B. Papazian, A.Markewicz, S. Kushneryk, C. Tedesco, A. Winton, N. Leon, G. Benchetrit and M. Starnino, and proposed changes to draft allocation and distribution order by BP and AM
October 15, 2021	MA	1.50	Review supplementary motion records, memoranda of law and argument and briefs of authorities of representative counsel re: motion to allocate and distribute settlement funds, and

Date
November 30, 2021

Invoice No.
727062

File No.
113317-0004

Date	Lawyer	Time	Description
			fix professional fees
October 17, 2021	MA	1.00	Receipt and review correspondence of M. Starnino, B. Papazian re: releases, scope; receipt and review correspondence of J. Wright to court re: objections to allocation and distribution motion of W. Gould and D. Miller; review reports of W. Gould and D. Miller re: objections to allocation of fees to investor claimants and quantum of fees for representative counsel
October 18, 2021	MA	2.90	Prepare for and attend hearing for motion re: allocation and distribution of settlement proceeds, legal fees for representative counsel; correspondence with G. Benchetrit re: motion to approve claims procedure and instructions to J. Balvers re: reserving court time; correspondence with J. Henechowicz re: motion hearing and outcome; receipt and review correspondence of L. Loewith, M. Starnino re: settlement; receipt and review correspondence of M. Starnino with court re: new date for hearing re: release issue, and with J. Wiesenfeld re: release terms
October 19, 2021	MA	1.80	Telephone conversations with J. Henechowicz, G. Benchetrit re: release, mediation, claims process motion v. other options; receipt and review correspondence of J. Wiesenfeld re: discussion; receipt and review correspondence of E. Snider with mediation brief; receipt and review endorsement of Penny J. re: allocation and distribution motion
October 20, 2021	MA	2.80	Prepare for and attend mediation before J. Wiesenfeld re: release issue; correspondence with J. Henechowicz re: mediation result and claims process motion; receipt and review correspondence of M. Starnino and revised release; prepare notice of motion for claims procedure motion
October 21, 2021	MA	2.70	Preparation of Claims Procedure Order, Order for Corollary Relief; revise NOM; instructions to J. Balvers to prepare motion record, fee affidavit; correspondence and telephone call

Date
November 30, 2021

Invoice No.
727062

File No.
113317-0004

Date	Lawyer	Time	Description
			with J. Henechowicz re: motion and Third Report
October 22, 2021	MA	1.30	Revisions to Notice of Motion, revise orders re: claims procedure motion; receipt and review correspondence of L. Loewith with proposed release for execution by settling parties and Liquidators; correspondence with J. Henechowicz and G. Benchetrit re: AIG release; telephone conversation with G. Benchetrit re: releases; correspondence with J. Henechowicz re: Third Report; correspondence with G. Benchetrit, T. Hogan, others re: additional motion to be brought for bankruptcy on November 1 and set up 9:30 apptmt before Koehnen J; receipt and review correspondence of R. Danter re: 9:30 apptmt
October 23, 2021	MA	0.20	Receipt and review correspondence of S. Tanvir and letter of G. Benchetrit to court re: upcoming attendance
October 24, 2021	MA	1.00	Correspondence with J. Henechowicz; receipt and review draft Third Report; revise Third Report and send to J. Henechowicz for review
October 25, 2021	MA	1.80	Prepare for and attend 9:30 appointment before Koehnen J. re: claims procedure motion; receipt and review endorsement of Koehnen J.; correspondence with J. Henechowicz and D. Hornbostel re: further revisions to and finalizing of Third Report; further revisions to Claims Procedure Order and Corollary Relief Order and send to clients for approval; meet with J. Balvers re: fee affidavit of L. Brzezinski, service list and motion record; finalize motion record and arrange for service and filing
October 26, 2021	MA	1.70	Review motion record of Pace CU re: bankruptcy of PSC; receipt and review correspondence of L. Loewith, M. Starnino; review CaseLines website re: new materials posted for November 1 hearings; prepare for motion for claims procedure and correspondence with J. Henechowicz, D. Hornbostel; receipt and review

Date
November 30, 2021

Invoice No.
727062

File No.
113317-0004

Date	Lawyer	Time	Description
			correspondence of C. Sayao re: release; correspondence with G. Benchetrit re: position of EY re: release issue
October 27, 2021	MA	1.20	Meet with J. Balvers re: revisions to court materials; correspondence with C. Saio and G. Benchetrit re: settlement and execution of documents; correspondence with D. Hornbostel re: court materials
October 29, 2021	MA	1.80	Prepare for claims procedure motion; correspondence with D. Hornbostel, J. Henechowicz re: issue of claims bar date; correspondence with G. Benchetrit, J. Kerbel re: changes to claims bar dates to correspond; receipt and review correspondence of C. Sayao, J. Landau and A. Markewicz re: form of releases, M. Starnino and N. Leon re: settlement funds
October 31, 2021	MA	0.30	Correspondence with G. Benchetrit and T. Hogan re: motions and order of proceeding
November 1, 2021	MA	3.10	Prepare for and attend before Koehnen J. re: motion for claims procedure and other relief, and EY and PCU motions; correspondence with Koehnen J re: motions argued; review correspondence of N. Leon re: releases and correspondence with G. Benchetrit and others re: claims of A. Sian; set up conference call to discuss releases; receipt and review correspondence and endorsements of Koehnen J. in three related motions; conference call with J. Henechowicz, D. Hornbostel, G. Benchetrit re: releases; correspondence with J. Henechowicz and D. Hornbostel re: endorsements; receipt and review correspondence of Koehnen J. with signed orders; receipt and review correspondence of C. Sayao re: releases; further correspondence with court re: Claims Procedure Order and revisions
November 2, 2021	MA	0.60	Receipt and review signed Claims Procedure Order and send to J. Henechowicz and D. Hornbostel; receipt and review correspondence of B. Papazian, C. Sayao re:

Date
November 30, 2021

Invoice No.
727062

File No.
113317-0004

Date	Lawyer	Time	Description
			releases
November 3, 2021	MA	0.50	Receipt and review entered Claims Procedure Order and send to J. Henechowicz and D. Hornbostel; receipt and review correspondence of S. Kushneryk, C. Sayao re: form of release
November 4, 2021	MA	0.60	Receipt and review correspondence of L. Loewith, M. Starnino re: settlement funds, C. Sayao re: form of release
November 5, 2021	MA	1.00	Receipt and review correspondence and copies of orders of Koehnen J. re: EYI motion; receipt and review correspondence of multiple counsel re: mulitiple drafts of release
November 8, 2021	MA	0.30	Receipt and review correspondence of C. Sayao, S. Kushneryk re: release
November 10, 2021	MA	0.30	Receipt and review correspondence of M. Starnino, C. Smith re: releases, status of funds
November 11, 2021	MA	0.70	Correspondence with J. Henechowicz re: corollary relief order; receipt and review correspondence of C. Sayao, S. Kushneryk, A. Winton, others re: form of release and review draft forms of releases
November 12, 2021	MA	0.20	Receipt and review correspondence of B. Papazian, C. Sayao re: form of release
November 15, 2021	MA	0.30	Correspondence with J. Henechowicz re: claims package; receipt and review and send entered Corollary Relief order to MNP
November 16, 2021	MA	0.50	Telephone conversation with J. Henechowicz re: potential claims by FHH against Pace; receipt and review correspondence of B. Papazian re: releases and different clauses
November 17, 2021	MA	0.20	Receipt and review correspondence of C. Sayao re: form of release and specific clauses
November 18, 2021	MA	0.30	Receipt and review correspondence of A. Markewicz and proposed revised draft release
November 19, 2021	MA	0.60	Receipt and review correspondence of A. Markewicz and revised release; receipt and review correspondence of correspondence and

Date
November 30, 2021

Invoice No.
727062

File No.
113317-0004

Date	Lawyer	Time	Description
			telephone call with J. Henechowicz re: claims process and potential claims by FH entities against Pace
November 22, 2021	MA	0.20	Receipt and review correspondence of A. Winton with further proposed revisions to release
November 24, 2021	MA	0.30	Receipt and review correspondence of L. Groves and B. Papazian re: form of release
November 25, 2021	MA	0.30	Receipt and review correspondence of C. Sayao re: release; correspondence with J. Henechowicz re: proofs of claim
November 29, 2021	MA	0.20	Receipt and review correspondence of N. Leon, P. Proszanski re: form of release

OUR FEE HEREIN:	$24,660.00
FEE HST:	$3,205.80

Lawyer	Title	Hours	Rate	Amount
Mervyn Abramowitz	Partner	36.00	$685.00	$24,660.00

Disbursements	Amount
Filing Fees* - Non-Taxable	$0.00

TOTAL FEES AND DISBURSEMENTS:	$24,660.00
TOTAL HST:	$3,205.80
TOTAL AMOUNT DUE:	$27,865.80

BLANEY McMURTRY LLP

Mervyn Abramowitz
E. & O.E

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

Date
November 30, 2021

Invoice No.
727062

File No.
113317-0004

Make payment(s) payable to Blaney McMurtry LLP.
We accept Visa, Mastercard and AMEX.
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General Account No. 0680-5215022 Swift Code: TDOMCATTTOR
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THIS IS EXHIBIT "B" REFERRED

TO IN THE AFFIDAVIT OF

LOU BRZEZINSKI SWORN BEFORE ME

THIS 23rd DAY OF FEBRUARY, 2022.

A Commissioner of Oaths
MERVYN ABRAMOWITZ

Blaney McMurtry LLP

Blaney McMurtry LLP | Lawyers
2 Queen Street East | Suite 1500
Toronto, Ontario M5C 3G5

T 416-593-1221
W Blaney.com

HST REGISTRATION # R119444149

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

Date
December 31, 2021

Invoice No.
729387

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 December 31, 2021 as more particularly described below.

Date	Lawyer	Time	Description
December 1, 2021	MA	0.20	Telephone conversation with J. Henechowicz re: status of matter and releases
December 7, 2021	MA	0.70	Receipt and review correspondence of A. Winton; review draft mutual release for signing and correspondence with J. Henechowicz re: signing of mutual release; send executed version of release to A. Winton; correspondence with J. Henechowicz re: claims process
December 8, 2021	MA	0.40	Receipt and review correspondence of C. Sayao, P. Prozanski re: further changes to release
December 13, 2021	MA	0.40	Receipt and review correspondence of G. McGuire, C. Sayao re: request for additional changes to release and new draft release
December 15, 2021	MA	0.30	Telephone conversation with J. Henechowicz re: claims against FHH in claims process, director claims, potential claim by FHH against Pace entities
December 16, 2021	MA	0.20	Receipt and review correspondence of A. Markewicz re: release

Date
December 31, 2021

Invoice No.
729387

File No.
113317-0004

OUR FEE HEREIN:	$1,507.00
FEE HST:	$195.91

Lawyer	Title	Hours	Rate	Amount
Mervyn Abramowitz	Partner	2.20	$685.00	$1,507.00

TOTAL FEES AND DISBURSEMENTS:	$1,507.00
TOTAL HST:	$195.91
TOTAL AMOUNT DUE:	$1,702.91

BLANEY McMURTRY LLP

Mervyn Abramowitz
E. & O.E

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Details are available upon request.

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General Account No. 0680-5215022 Swift Code: TDOMCATTTOR
Please ensure our account number and/or file number is quoted on the wire transfer.

THIS IS EXHIBIT "C" REFERRED

TO IN THE AFFIDAVIT OF

LOU BRZEZINSKI SWORN BEFORE ME

THIS 23rd DAY OF FEBRUARY, 2022.

A Commissioner of Oaths
MERVYN ABRAMOWITZ

Blaney McMurtry LLP

Blaney McMurtry LLP | Lawyers
2 Queen Street East | Suite 1500
Toronto, Ontario M5C 3G5
T 416-593-1221
W Blaney.com

HST REGISTRATION # R119444149

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

Date
January 31, 2022

Invoice No.
732091

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 January 31, 2022 as more particularly described below.

Date	Lawyer	Time	Description
January 3, 2022	MA	0.40	Receipt and review correspondence of J. Henechowicz, M. Starnino and K. Rosenberg re: meeting to discuss claims process and claims by First Hamilton against other entities
January 4, 2022	MA	0.80	Conference call with J. Henechowicz, K. Rosenberg, M. Starnino re: claims by Liquidators; correspondence with J. Henechowicz, G. Benchetrit, J. Kerbel, A. Ho and set up call re: claims by Liquidators
January 6, 2022	MA	0.60	Conference call with J. Henechowicz, G. Benchetrit, J. Kerbel, A. Ho re: claims processes
January 7, 2022	MA	1.80	Review application materials re: appointment of liquidator re: potential claims against Pace entities; correspondence and call with J. Henechowicz re: potential FHH claims against PSC; draft notice re: proof of claim and send to J. Henechowicz for review and comment
January 10, 2022	MA	1.50	Correspondence with J. Henechowicz re: FHH claims against PACE entities and review revisions of J. Henechowicz to draft claim; revise further and meet with J. Henechowicz to discuss claims; final revisions and send to G.

Date
January 31, 2022

Invoice No.
732091

File No.
113317-0004

Date	Lawyer	Time	Description
			Benchetrit, J. Kerbel for discussion and meeting
January 11, 2022	MA	1.40	Conference call with J. Henechowicz, G. Benchetrit, J. Kerbel, A. Ho re: potential claims by FHH against Pace entities; discuss with J. Henechowicz; revise draft claim and send to J. Henechowicz for review; finalize and instructions to J. Balvers to prepare proof of claim form in PSC bankruptcy estate and file with EY as bankruptcy trustee
January 12, 2022	MA	0.70	Complete Proof of Claim and arrange to send to client for review; receipt and review correspondence of J. Henechowicz and signed proof of claim; instructions to send to EY; correspondence with G. Benchetrit, J. Kerbel, A. Ho with filed proof of claim
January 13, 2022	MA	1.20	Receipt and review correspondence of C. Sayao with AIG release; review and compare with earlier release signed; correspondence and telephone call with J. Henechowicz re: releases; receipt and review signed release and forward to C. Sayao; correspondence with G. Benchetrit re: release
January 17, 2022	MA	0.20	Receipt and review correspondence of G. Benchetrit and signed AIG release of EY
January 19, 2022	MA	0.50	Receipt and review correspondence of J. Henechowicz and Notice of Disallowance of Claim by EY as trustee of PSC; correspondence with J. Henechowicz re: response and next steps
January 20, 2022	MA	0.30	Correspondence with J. Henechowicz re: claims process and FHH claim in PSC estate
January 24, 2022	MA	0.40	Telephone conversation with J. Henechowicz re: disallowance of FHH claim against PSC, status of claims process of FHH, next steps
January 27, 2022	MA	2.40	Receipt and review correspondence of Alsou re: available dates for motion; correspondence with J. Henechowicz re: motion to approve activities and discharge Liquidator; correspondence with G. Benchetrit and EY re:

Date
January 31, 2022

Invoice No.
732091

File No.
113317-0004

Date	Lawyer	Time	Description
			disallowance of claim; set up call to discuss; begin preparation of Notice of Motion and draft Order re: motion to discharge MNP as Liquidator

OUR FEE HEREIN: $8,357.00
FEE HST: $1,086.41

Lawyer	Title	Hours	Rate	Amount
Mervyn Abramowitz	Partner	12.20	$685.00	$8,357.00

TOTAL FEES AND DISBURSEMENTS: $8,357.00
TOTAL HST: $1,086.41

TOTAL AMOUNT DUE: $9,443.41

BLANEY McMURTRY LLP

Mervyn Abramowitz
E. & O.E

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

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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 2nd
	)	
JUSTICE	)	DAY OF MARCH, 2022

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
(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**"), along with those described in the prior reports to this Court, including the implementation of a claims procedure, the filing by the Liquidator of a claim in a related proceeding, 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 Douglas Hendler, 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 Douglas Hendler, 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, together with the proposed 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 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 4

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

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

THE HONOURABLE	)	WEEKDAY, THE #
	)	
JUSTICE	)	DAY OF MONTH, 20YR

B E T W E E N:

PLAINTIFF

Plaintiff

and

DEFENDANT

Defendant

DISCHARGE ORDER

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

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

Style Definition: Normal

Style Definition: Heading 1: Font: 14 pt, All caps, Justified, Space Before: 12 pt

Style Definition: Heading 2: Font: 14 pt, Not Italic, Justified, Space Before: 12 pt

Style Definition: Heading 3: Font: Bold, Italic, No underline, Justified, Space Before: 0 pt

Style Definition: Heading 4: Font: Not Italic, Justified, Space Before: 0 pt

Style Definition: Heading 5: Justified, Space Before: 0 pt

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Style Definition: Heading 7: Justified, Space Before: 0 pt

Style Definition: Heading 8: Justified, Space Before: 0 pt

Style Definition: Heading 9: Justified, Space Before: 0 pt

Style Definition: Body Text

Style Definition: Footer: Font: 8 pt, Justified, Tab stops: 7.62 cm, Centered + 15.24 cm, Right + Not at 8.25 cm + 16.51 cm

Style Definition: Header: Justified, Tab stops: 7.62 cm, Centered + 15.24 cm, Right + Not at 8.25 cm + 16.51 cm

Style Definition: Subtitle: Font: 14 pt, Not Bold, Level 2

Style Definition: Title: Font: 16 pt, Level 1, Space Before: 12 pt

Style Definition: Footnote Text: Font: 12 pt

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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
(Dissolution and Discharge Liquidator)

THIS MOTION, made by ~~[RECEIVER'S NAME]~~MNP Ltd. ("**MNP**"), in its capacity as the Court-appointed ~~receiver (the "Receiver~~Liquidator ("**Liquidator**") of the ~~undertaking, property and assets of [DEBTOR] (the "Debtor"),~~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 Receiver as set out in the report of the Receiver dated [DATE] (the "Report");~~

1. approving the activities of the Liquidator, as described in the Liquidator's Fourth Report to this Court (the "**Report**"), along with those described in the prior reports to this Court, including the implementation of a claims procedure, the filing by the Liquidator of a claim in a related proceeding, 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;

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2.3. approving the fees and disbursements of the Receiver Liquidator and its legal counsel, as set out in the fee affidavits of Jerry Henechowicz and Douglas Hendler, 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;

3. approving the distribution of the remaining proceeds available in the estate of the Debtor; [and]

4. discharging [RECEIVER'S NAME] as Receiver the Liquidator of its responsibilities in respect of the undertaking, property and assets of the Debtor[; and 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 [RECEIVER'S NAME] from any and all liability, as set out in paragraph 5 of this Order]**[1],

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;

[1] If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.

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was heard this day via Zoom videoconference at ~~330 University Avenue,~~ Toronto, Ontario.

ON READING the Motion Record, including the Report, ~~the affidavits of~~ and the ~~Receiver and its counsel as to fees (the "~~Fee Affidavits~~"),~~ of Jerry Henechowicz and Douglas Hendler, respectively (the "**Fee Affidavits**"), filed, and on hearing the submissions of counsel for the ~~Receiver, no one else appearing although served as evidenced by the Affidavit of [NAME] sworn [DATE], filed[2];~~ Liquidator,

1. **THIS COURT ORDERS** that the activities of the ~~Receiver, as set out~~ Liquidator, together with the proposed 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 ORDERS** that the Companies be and are hereby dissolved.

~~2.~~3. **THIS COURT FURTHER ORDERS** that the fees and disbursements of the ~~Receiver~~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.

~~3.~~ 4. **THIS COURT FURTHER ORDERS** that~~, after payment of~~ the ~~fees~~ Liquidator be and ~~disbursements herein approved, the Receiver shall pay the monies remaining in its hands to [NAME OF PARTY][3].~~

~~[2] This model order assumes that the time for service does not need to be abridged.~~

~~[3] This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.~~

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~~4. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 3 hereof [and upon the Receiver filing a certificate certifying that it has completed the other activities described in the Report], the Receiver shall be~~ is hereby discharged as ~~Receiver~~Liquidator of the undertaking, property and assets of the ~~Debtor~~Companies, provided however that notwithstanding its discharge herein (a) the ~~Receiver~~Liquidator shall remain ~~Receiver~~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 ~~(b) the Receiver~~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 ~~[RECEIVER'S NAME]~~MNP in its capacity as ~~Receiver~~Liquidator.

~~5.~~ ~~[~~5. **THIS COURT FURTHER ORDERS AND DECLARES** that ~~**[RECEIVER'S NAME]**~~MNP is hereby released and discharged from any and all liability that ~~**[RECEIVER'S NAME]**~~MNP now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of ~~**[RECEIVER'S NAME]**~~MNP while acting in its capacity as ~~**Receiver**~~Liquidator herein, save and except for any gross negligence or wilful misconduct on the ~~**Receiver's**~~Liquidator's part. Without limiting the generality of the foregoing, ~~**[RECEIVER'S NAME]**~~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 ~~**receivership**~~winding up

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and liquidation proceedings, save and except for any gross negligence or wilful misconduct on the ~~Receiver's~~Liquidator's part~~.]~~[4].

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[4] ~~The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.~~

Revised: May 11, 2010

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEEKDAY, THE #
	)	
JUSTICE	)	DAY OF MONTH, 20YR

B E T W E E N:

PLAINTIFF

Plaintiff

- and –

DEFENDANT

Defendant

DISCHARGE ORDER

THIS MOTION**,** made by [RECEIVER'S NAME] in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of [DEBTOR] (the "Debtor"), for an order:

1. approving the activities of the Receiver as set out in the report of the Receiver dated [DATE] (the "Report");

2. approving the fees and disbursements of the Receiver and its counsel;

3. approving the distribution of the remaining proceeds available in the estate of the Debtor; **[and]**

4. discharging [RECEIVER'S NAME] as Receiver of the undertaking, property and assets of the Debtor**[; and**

5. **releasing [RECEIVER'S NAME] from any and all liability, as set out in paragraph 5 of this Order]**[1],

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report, the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the Receiver, no one else appearing although served as evidenced by the Affidavit of [NAME] sworn [DATE], filed[2];

1. THIS COURT ORDERS that the activities of the Receiver, as set out in the Report, are hereby approved.

2. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Report and the Fee Affidavits, are hereby approved.

3. THIS COURT ORDERS that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands to [NAME OF PARTY][3].

4. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 3 hereof [and upon the Receiver filing a certificate certifying that it has completed the other activities described in the Report], the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver 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 [RECEIVER'S NAME] in its capacity as Receiver.

5. **[THIS COURT ORDERS AND DECLARES that [RECEIVER'S NAME] is hereby released and discharged from any and all liability that [RECEIVER'S NAME] now has or**

---

[1] If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.

[2] This model order assumes that the time for service does not need to be abridged.

[3] This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.

may hereafter have by reason of, or in any way arising out of, the acts or omissions of [RECEIVER'S NAME] while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, [RECEIVER'S NAME] 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 receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.][4]

[4] The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.

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

MOTION RECORD OF THE LIQUIDATOR
(MOTION FOR DISSOLUTION AND DISCHARGE, RETURNABLE MARCH 2, 2022)

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