

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

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

**1340182 ONTARIO LIMITED AND
KAZEMBE & ASSOCIATES PROFESSIONAL CORPORATION**

Respondents

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101
OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C-43, AS AMENDED

**SUPPLEMENTARY MOTION RECORD OF THE RECEIVER,
MNP LTD.**

(Returnable November 22, 2023)

November 16, 2023

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Receiver of 1340182 Ontario Limited

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Respondent

AND TO: **KAZEMBE & ASSOCIATES PROFESSIONAL CORPORATION**
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Respondent

AND TO: **923944 ONTARIO LTD.**
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Mortgagee with respect to the property located at 1888 Wilson Ave,
Toronto, Ontario

AND TO: **KETTNER, PHILP, GOLD, FRYDMAN BARRISTERS & SOLICITORS IN ASSOCIATION**
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TAB 1

Court File No. CV-23-00698539-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
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BETWEEN:

CANADIAN IMPERIAL BANK OF COMMERCE

Applicant

- and -

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Respondents

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
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**SUPPLEMENTARY REPORT TO THE FIRST REPORT OF MNP LTD. AS RECEIVER
OF THE ASSETS, UNDERTAKINGS AND PROPERTIES OF THE RESPONDENTS**

November 16, 2023

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Appendix “B” CIBC November 9, 2023 Payout Statement

INTRODUCTION

1. This report is supplementary to and should be read in conjunction with the First Report of the Receiver dated November 10, 2023 (“**Supplementary Report**”).
2. The same defined terms will be used in this Supplementary Report as in the First Report of the Receiver, unless defined otherwise.

PURPOSE OF SUPPLEMENTARY REPORT

3. This Supplementary Report is filed to provide this Honourable Court with an update regarding the Companies’ indebtedness to 923 Corp and CIBC as provided by same and the Receiver’s proposed distribution to 923 Corp and CIBC (the “**Mortgagee Distribution**”).
4. The Receiver files this supplementary report in support of its motion for an order providing the relief set out in paragraph 50 of the First Report and the Mortgagee Distribution.

923 CORP AND CIBC SECURED DEBT

5. As set out in paragraphs 42 to 44 of the First Report, Minden has opined that, subject to the standard qualifications and assumptions:
 - (a) 923 Corp and CIBC’s mortgage security is valid and enforceable pursuant to its terms; and
 - (b) that the Wilson Property parcel registry indicates that 923 Corp’s mortgage security was registered in priority to any other security. CIBC’s mortgage security is the second registration. Absent any inter-creditor agreements, Minden is of the view that 923 Corp has the senior secured mortgage security followed by CIBC.
6. 923 Corp’s November 9, 2023 payout statement totaling \$1,234,350.07 is attached hereto as **Appendix “A”**. CIBC’s November 9, 2023 payout statement totaling \$1,089,797.22 is attached hereto as **Appendix “B”**.

7. Given the recent receipt of the payout statements, these statements have not been previously sent to mortgagee counsel. Upon a review, it may be that such counsel have questions or comments in respect of the amounts being claimed as owing.

8. Subject to the closing of the Transaction and based on the quantum of the Purchase Price, net of commissions, priority charges and the proposed hold back of \$50,000 to cover the Receiver's and its counsel's estimated fees, disbursements and applicable taxes to the completion of the administration of these proceedings, the Receiver proposes to distribute to 923 Corp the full indebtedness of its debt and any remaining balance to CIBC.

CONCLUSION

9. The Receiver has prepared this Supplementary Report in support of the relief sought in paragraph 50 of the First Report and the Mortgagee Distribution set out above.

All of which is respectfully submitted this 16th day of November, 2023.

MNP LTD.
Court-appointed Receiver of
Kazembe & Associates Professional
Corporation and 1340182 Ontario Inc.



Per:

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

Appendix “A”

1888 WILSON AVE - TOTAL OWING UNTIL NOV 9, 2023			
PRINCIPAL AMOUNT:	\$ 1,000,000.00		
MARCH 2023 BALANCE:	\$ 4,500.00		
PAYMENTS APR TO NOV 2023	\$ 60,000.00		
NSF FEES:	\$ 750.00		
UNPAID RENEWAL FEE:	\$ 150,000.00		
DEMAND LETTER:	\$ 339.00		
ADMIN FEE:	\$ 500.00		
PER DM UNTIL NOV 9TH, 2023:	\$ 2,219.18		
PAID TO FOGLER RUBINOFF:	\$ 7,801.87		
PAID TO FOGLER RUBINOFF:	\$ 4,883.86		
PENDING TO FOGLER, RUBINOFF (Invoice):	\$ 1,096.16		
PENDING TO FOGLER, RUBINOFF:	\$ 1,130.00		
MARK FRYDMAN FEE:	\$ 1,130.00		
TOTAL:	\$ 1,234,350.07		

Appendix “B”



STATEMENT BY
Gowling WLG (Canada) LLP

RE: Indebtedness owed by 1340182 Ontario Limited (the “**Borrower**”) to Canadian Imperial Bank of Commerce (the “**Bank**”) File No. H233430

According to the Bank’s records, the Borrower is indebted or otherwise liable to the Bank for the following amount as of November 9, 2023:

Business Term Loan (#322/4864050)	
Principal outstanding	\$894,721.98
Accrued interest	\$71,107.13
Interest accrues at the Bank’s prime rate of interest	
Legal fees, disbursements and taxes invoiced to July 31, 2023	\$79,373.42
Receiver’s Certificates	\$44,594.69
001 – August 22, 2023 - \$6,244.00	
002 – August 22, 2023 - \$15,397.33	
003 – October 27, 2023 - \$22,953.36	
Total Indebtedness as at November 09, 2023	\$1,089,797.22

GOWLING WLG (CANADA) LLP

Domagoj (Dom) Glavota
Gowling WLG (Canada) LLP
Counsel to and agent for
Canadian Imperial Bank of Commerce

I have authority to bind the bank.

H233430\59554024\1

B E T W E E N:

CANADIAN IMPERIAL BANK OF COMMERCE
Applicant

-and-

1340182 ONTARIO LIMITED et al.
Respondents
Court File No. CV-23-22698539-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

SUPPLEMENTARY MOTION RECORD OF
THE RECEIVER, MNP LTD.
(Returnable November 22, 2023)

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