

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**MOTION RECORDED  
Returnable September 22, 2023**

September 14, 2023

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
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**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents  
Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

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Lawyers for the Court-Appointed Receiver, MNP Ltd.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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1	Notice of Motion returnable September 22, 2023
2	Third Report of MNP Ltd. dated September 14, 2023
3	Draft Discharge Order



# **Tab 1**

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

**IN THE MATTER OF** Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

**B E T W E E N:**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**- and -**

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**NOTICE OF MOTION  
(Discharge of the Receiver)  
(Returnable September 22, 2023)**

**THIS MOTION**, made by MNP Ltd. (“MNP”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of 2738283 Ontario Inc., 2738284 Ontario Inc., and 2738285 Ontario Inc. (collectively, the “**Debtors**”) will make a motion before Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on September 22, 2023, at 10:00 a.m. or as soon after that time as the motion can be heard by judicial videoconference via Zoom at Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** This Motion is to be heard by videoconference.

**THIS MOTION IS FOR:**

1. An Order (the “**Discharge Order**”), *inter alia*:
  - (a) approving, *nunc pro tunc*, the letter agreement dated October 17, 2022 among the Receiver, Morris Group Financial Inc. (“**Morris**”), and Blake Larsen (the “**Letter Agreement**”);
  - (b) discharging MNP as Receiver upon the filing of the Discharge Certificate (as defined below);
  - (c) approving the activities of the Receiver as described in the Third Report of the Receiver dated September 14, 2023 (the “**Third Report**”);
  - (d) approving the fees of the Receiver and its counsel;
  - (e) approving final payments and distributions as set out in the Third Report;
  - (f) releasing the Receiver from any and all liability for any acts or omissions while acting in its capacity as Receiver, save and except for gross negligence and willful misconduct;
  - (g) unsealing Confidential Appendices “1”, “2”, “3”, and “4” of the First Report, which were sealed pending further Order of the Court; and
  - (h) such other relief as the Court deems just.

**THE GROUNDS FOR THE MOTION** are as follows:

## Background

2. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 9, 2021 (the “**Appointment Order**”), MNP Ltd. was appointed Receiver of the assets, properties and undertakings of the Debtors listed in Schedule “A” to the Appointment Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 and section 101 of the *Courts of Justice Act*, R.S.O. 1990, C. C-43, as amended.
3. The Debtors are private Ontario corporations whose assets principally consisted of vacant real property that the Debtors were in the process of developing for mixed industrial and residential use. The real property previously owned by the Debtors is located at: (i) 320 Mapleview Drive West, (ii) 366 Mapleview Drive West, (iii) 664 Essa Road, and (iv) 674 Essa Road, each located in Barrie, Ontario (collectively, the “**Real Property**”).
4. The Debtors and 7 Generations Development Group Limited (“**7 Generations**”) entered into a Management/Service Agreement dated May 13, 2020 (the “**Management Agreement**”). Among other things, the Management Agreement authorized 7 Generations to act as agent on behalf of the Debtors to engage service providers and contractors in respect of the development of the Real Property.
5. On March 7, 2022, the Receiver issued its Amended First Report of the Receiver dated March 3, 2022 (the “**First Report**”) in support of the motion heard on March 10, 2022 seeking the following two Orders:

- (a) an Approval and Vesting Order (the “**Approval and Vesting Order**”), among other things:
- (i) approving the agreement of purchase and sale between the Receiver, as vendor, and 2771280 Ontario Inc. d/b/a Ark Capital Group, which was subsequently assigned to Essa Rd Development Ltd. (the “**Purchaser**”), as purchaser, dated February 4, 2022, and authorizing the Receiver to complete the transaction contemplated thereby (the “**Transaction**”);
  - (ii) with respect to the completion of the Transaction, vesting in the Purchaser, all of the Debtors’ right, title and interest in and to the Real Property, free and clear of any claims and encumbrances;
  - (iii) sealing the Confidential Appendices to the First Report pending completion of the Transaction and further order of this Court;
  - (iv) approving distributions to the Secured Creditors upon the Receiver receiving satisfactory payout statements, in the Receiver’s sole discretion; and
  - (v) approving the fees and disbursements of the Receiver up to and including February 24, 2022, and the Receiver’s counsel, Thornton Grout Finnigan LLP (“**TGF**”) up to and including February 28, 2022; and
- (b) a Claims Process Order (the “**Claims Process Order**”), *inter alia*: (i) approving and authorizing the Receiver to conduct a claims process (the “**Claims Process**”) to call for, assess, and determine claims against the Debtors and 7 Generations in relation to the Real Property, and (ii) authorizing, directing, and empowering the

Receiver to administer the Claims Process in accordance with the terms of the proposed Claims Process Order.

6. On June 24, 2022, the Receiver issued the Second Report of the Receiver (the “**Second Report**”), as part of the Receiver’s motion for an Order (the “**Distribution Order**”), *inter alia*:
  - (a) approving a distribution to Maria Louise Larsen with respect to her secured claim against the Debtors, upon the Receiver receiving a satisfactory payout statement;
  - (b) approving payment of certain Proven Claims (as defined in the Claims Process Order) filed with the Receiver pursuant to the Claims Process Order;
  - (c) approving the appointment of Megan Keenberg as Claims Officer (as defined in the Claims Process Order) to adjudicate the Disputed Claims, if necessary;
  - (d) approving the Receiver’s Interim Statement of Receipts and Disbursements as at June 20, 2022;
  - (e) approving an interim distribution to 7 Generations in respect of the equity proceeds available from the Transaction, subject to certain reserves for the administration of the receivership and the Disputed Claim;
  - (f) approving the Second Report and the actions and activities of the Receiver described therein; and

- (g) approving the fees and disbursements of the Receiver and TGF up to and including June 17, 2022.

### **Claims Process**

7. Pursuant to the Claims Process Order dated March 10, 2022, the Receiver commenced and completed a claims process to identify the universe of Claimants of the Debtors and 7 Generations.
8. Further to the Distribution Order, the Receiver has made distributions in the aggregate amount of \$559,227 to all claimants with Proven Claims. The Receiver has also made distributions in the aggregate amount of \$2,547,412 to secured creditors with proven claims.
9. The Distribution Order also provided the Receiver with authority to make distributions to any Claimant with a Disputed Claim if any Disputed Claim subsequently became a Proven Claim in accordance with the Claims Process Order. As at the date of the Second Report there were three Disputed Claims: Homestore Direct Inc. o/a Rockwood Kitchens, Morris Group Financial Inc. (“**Morris**”), and Tony Guergis. All three Disputed Claims have been successfully resolved.

### **Letter Agreement**

10. The Receiver requests an order from the Court authorizing the Receiver to enter into the Letter Agreement, *nunc pro tunc*, which is related to the resolution of the Disputed Claim

by Morris. Pursuant to the Letter Agreement, upon the Court granting an order authorizing the Receiver to enter into the Letter Agreement retroactively, the Receiver will transfer \$150,000 to Loopstra Nixon LLP, in escrow, in exchange for, among other things, consenting to lift the stay of proceedings in respect of the action commenced by Morris against the Debtors, Larsen, and certain other entities related to Larsen under Court File No. CV-20-00651075-0000.

11. There are no other outstanding Proven Claims, Disputed Claims, or Secured Creditor Claims. Following final distributions, the claims process will be complete.

#### **Unsealing of Confidential Appendices**

12. Pursuant to the Approval and Vesting Order, the Confidential Appendices “1”, “2”, “3” and “4” to the First Report were sealed pending further order of the Court. Given that the sale of the Real Property has successfully closed, these appendices are no longer required to be sealed from the public record and the Receiver seeks an order unsealing these documents.

#### **Final Distribution to the Beneficial Owner**

13. The Receiver seeks authorization to make a final distribution of the remaining funds to 7 Generations after payment of all other expenses associated with the receivership. Pursuant to a Bare Trust Agreement, 7 Generations is the beneficial owner of the Real Property. Following the final resolution of all Claims filed pursuant to the Claims Process, and the



payment of the professional fees and expenses incurred and estimated to be incurred, there will be additional funds available for distribution to 7 Generations.

### **Discharge of Receiver**

14. Subject to certain remaining activities described in the Third Report, the administration of the estate is substantially complete. As a result, it is appropriate to discharge the Receiver upon the filing of a certificate with the Court.

### **Approval of Statement of Receipts and Disbursements, Fees and Activities**

15. The Receiver is seeking approval of the Receiver's accounts pertaining to the services of Deborah Hornbostel for the period from June 18, 2022 up to and including August 31, 2023. In total, the Receiver charged professional fees during this period in the amount of \$90,566, plus HST in the amount of \$11,773. Barring any unforeseen complications, the Receiver estimates that it will cost approximately \$15,000 plus HST to complete the administration of the receivership.
16. The Receiver is also seeking approval of the accounts of Thornton Grout Finnigan LLP, which reflects the legal services provided to the Receiver for the period from June 18, 2022 up to and including August 31, 2023, in the amount of \$106,047.50 plus disbursements of \$2,600.48 and HST in the amount of \$14,082.65 for a total of \$122,730.63. Barring any unforeseen complications, TGF estimates that it will cost approximately \$15,000 plus HST to complete its involvement with the receivership.

17. The Receiver is also seeking approval of the Receiver's Interim Statement of Receipts and Disbursements indicating net receipts of \$586,782 as at September 13, 2023, together with a proforma Final Statement of Receipts and Disbursements.

***Other Grounds:***

18. Rules 1.04, 1.05, 2.03, 3.02, 16, and 37 of the Rules of Civil Procedure (Ontario); and
19. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this application:

1. The Receiver's Third Report to the Court dated September 14, 2023, including all appendices attached thereto; and
2. Such further and other evidence as counsel may advise and this Honourable Court may permit.

September 14, 2023

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**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
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Applicants

Respondents

Court File No.: CV-21-00670723-00CL

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**  
Proceedings commenced at Toronto

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**NOTICE OF MOTION**

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# **Tab 2**

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

**IN THE MATTER OF** Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

**BETWEEN**

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**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**THIRD REPORT OF MNP LTD. AS RECEIVER OF THE ASSETS, UNDERTAKINGS  
AND PROPERTIES OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. AND  
2738285 ONTARIO INC.**

**SEPTEMBER 14, 2023**

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## APPENDICES

- Appendix “A” Appointment Order dated November 9, 2021
- Appendix “B” Amended First Report of The Receiver dated March 7, 2022 (without appendices)
- Appendix “C” Second Report of the Receiver dated June 24, 2022 (without appendices)
- Appendix “D” Approval and Vesting Order dated March 10, 2022
- Appendix “E” Endorsement dated July 6, 2022
- Appendix “F” Claims Process Order dated March 11, 2022
- Appendix “G” Summary of Distributions made in respect of Disputed Claims
- Appendix “H” Letter Agreement dated October 17, 2022
- Appendix “I” Endorsement of Justice Osborne dated June 20, 2023
- Appendix “J” Fee Affidavit of Deborah Hornbostel sworn on September 13, 2023
- Appendix “K” Fee Affidavit of Robert Thornton sworn on September 8, 2023
- Appendix “L” Receiver’s Interim Statement of Receipts and Disbursements

## INTRODUCTION

1. By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 9, 2021 (the “**Appointment Order**”), MNP Ltd. was appointed as receiver (in such capacity, the “**Receiver**”), without security, of those assets, undertakings and properties of 2738283 Ontario Inc. (“**283**”), 2738284 Ontario Inc. (“**284**”) and 2738285 Ontario Inc. (“**285**” and collectively with 283 and 284, the “**Debtors**”) described in Schedule “A” to the Appointment Order, pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and section 101 of the *Courts of Justice Act*. Attached hereto as **Appendix “A”** is a copy of the Appointment Order.
2. The Appointment Order was granted on application commenced by PS Holdings 1 LLC, PS Holdings 2 LLC and PS Holdings 3 LLC (collectively “**PS Holdings**”) as the Debtors were in default of their secured obligations to PS Holdings.
3. The Debtors are private Ontario corporations and all were incorporated on January 21, 2020. They have the same registered head office in Mississauga, Ontario, and the sole officer and director of each of the Debtors is Blake Larsen (“**Larsen**”). The Debtors’ assets principally consisted of vacant real property acquired by the Debtors from PS Holdings on May 13, 2020 (the “**Real Property**”) that the Debtors were in the process of developing for mixed industrial and residential use. The Debtors did not employ any employees.
4. The Real Property owned by the Debtors at the time of the Appointment Order are listed in the chart below:

<b>Debtor</b>	<b>Property Address</b>	<b>Description of Real Property</b>
283	320 Mapleview Drive West, Barrie, Ontario; and 366 Mapleview Drive West, Barrie, Ontario	5.435 acres, Light Industrial 0.724 acres, General Commercial
284	664 Essa Road, Barrie, Ontario	6.730 acres, Light Industrial
285	674 Essa Road, Barrie, Ontario	12.509 acres, Light Industrial

5. The Debtors and 7 Generations Development Group Limited (“**7 Generations**” or the “**Beneficial Owner**”) entered into a Management/Service Agreement dated May 13, 2020



(the “**Management Agreement**”). Pursuant to the Management Agreement, among other things, 7 Generations was authorized to act as agent on behalf of the Debtors to engage services and contractors in respect of the development of the Real Property. Larsen is the principal of 7 Generations.

6. On March 7, 2022, the Receiver issued its Amended First Report of the Receiver dated March 3, 2022 (the “**First Report**”) in support of its motion heard on March 10, 2022 (the “**Sale Motion**”) for:

- (a) an Approval and Vesting Order (the “**Approval and Vesting Order**”), *inter alia*:
  - (i) approving the agreement of purchase and sale between the Receiver, as vendor, and 2771280 Ontario Inc. d/b/a Ark Capital Group and subsequently assigned to Essa Rd Development Ltd. (the “**Purchaser**”), as purchaser, dated February 4, 2022, and authorizing the Receiver to complete the transaction contemplated thereby (the “**Transaction**”);
  - (ii) with respect to the completion of the Transaction, vesting in the Purchaser, all of the Debtors’ right, title and interest in and to the Real Property, free and clear of any claims and encumbrances;
  - (iii) sealing the Confidential Appendices to the First Report until completion of the Transaction and further order of this Court;
  - (iv) approving distributions to the Secured Creditors (as defined below) upon the Receiver receiving satisfactory payout statements, in the Receiver’s sole discretion;
  - (v) approving the fees and disbursements of the Receiver up to and including February 24, 2022, and the Receiver’s counsel, Thornton Grout Finnigan LLP (“**TGF**”) up to and including February 28, 2022; and
- (b) a Claims Process Order (the “**Claims Process Order**”), *inter alia*, approving and authorizing the Receiver to conduct a claims process (the “**Claims Process**”) to call for, assess and determine claims against the Debtors and 7 Generations in relation

to the Real Property and authorizing, directing, and empowering the Receiver to administer the Claims Process in accordance with the terms of the proposed Claims Process Order.

A copy of the First Report (without appendices) is attached hereto as **Appendix “B”**.

7. On June 24, 2022, the Receiver issued the Second Report of the Receiver (the “**Second Report**”), as part of the Receiver’s motion for an Order, (the “**Distribution Order**”) *inter alia*:

- (a) approving a distribution to Maria Louise Larsen with respect to her secured claim against the Debtors, upon the Receiver receiving a satisfactory payout statement;
- (b) approving payment of certain Proven Claims (as defined in the Claims Process Order) filed with the Receiver pursuant to the Claims Process Order;
- (c) approving the appointment of Megan Keenberg, C.S., Q. Arb., Q. Med, as Claims Officer (as defined in the Claims Process Order), if necessary, to adjudicate the Disputed Claims (as defined below);
- (d) approving the Receiver’s Interim Statement of Receipts and Disbursements as of June 20, 2022;
- (e) approving an interim distribution to 7 Generations in respect of the equity proceeds available from the Transaction, subject to certain reserves;
- (f) approving the Second Report and the actions and activities of the Receiver described therein;
- (g) approving the fees and disbursements of the Receiver up to and including June 17, 2022, and TGF up to and including June 17, 2022.

A copy of the Second Report (without appendices) is attached hereto as **Appendix “C”**.

8. A copy of each of the Approval and Vesting Order and the Distribution Order is attached as **Appendix “D”** and **Appendix “E”**, respectively.

9. The Application Record, related motion records and Court Orders, along with all other publicly available information in these proceedings, have been posted to the Receiver's website (the "**Receiver's Website**"), accessible at: <https://mnpdebt.ca/en/corporate/corporate-engagements/2738283-ontario-inc-et-al>.

## **PURPOSE OF THIS REPORT**

10. The purpose of this Third Report of the Receiver (the "**Third Report**") is to:
- (a) report on the Receiver's actions and activities since the issuance of the Second Report;
  - (b) report on the resolution of the Disputed Claims (defined below);
  - (c) provide this Court with the evidentiary basis to make an order (the "**Discharge Order**"), among other things:
    - (i) approving the Third Report and the Receiver's actions and activities described herein;
    - (ii) approving, *nunc pro tunc*, the Letter Agreement (as defined below);
    - (iii) approving the fees and disbursements of the Receiver and the TGF.
    - (iv) approving a final distribution to 7 Generations;
    - (v) providing for the discharge of the Receiver effective upon the filing of a certificate of the Receiver (the "**Receiver's Discharge Certificate**") certifying that, to the knowledge of the Receiver, all matters to be attended to in connection with the receivership proceeding have been completed;
    - (vi) releasing MNP 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 Receiver, save and except for any gross negligence or willful misconduct on the part of MNP, on the filing of the Receiver's Discharge Certificate;

- (vii) Unsealing Confidential Appendices “1”, “2”, “3” and “4” of the First Report, which were sealed pending further Order of the Court; and
- (viii) such other relief as the Court deems just.

## **TERMS OF REFERENCE**

11. In preparing this Third Report, the Receiver has relied on unaudited financial and other information regarding the Debtors, 7 Generations and the Real Property provided to it, including information (collectively the “**Information**”):
  - (a) provided by Blake Larsen;
  - (b) provided by the unsecured creditor claimants (the “**Claimants**”); and
  - (c) as otherwise available to the Receiver and its counsel.
12. Except as described in this Third Report, the Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
13. All currency references are in Canadian Dollars unless otherwise specified.

## **RECEIVER’S ACTIVITIES SINCE THE SECOND REPORT**

14. The following is a summary of the Receiver’s actions and activities since the Second Report:
  - (a) as detailed below, continued the administration of the Claims Process, including facilitating the determination and resolution of the Disputed Claims;
  - (b) updated the Receiver’s Website, as necessary;
  - (c) finalized the Second Report and prepared the Third Report;

- (d) attended, along with its counsel, at Court;
- (e) made final distributions to creditors with Proven Claims and interim distributions to 7 Generations, in accordance with the Distribution Order; and
- (f) attended to all accounting and banking functions related to the management of the estate funds, including monthly reconciliations of the estate bank account.

**SECURED CREDITORS**

- 15. The Receiver previously paid the claims of the secured charges on the Real Property and the indebtedness claimed by the secured creditors of the Respondents (collectively, the “**Secured Creditors**”), as set out in the Second Report, including a distribution in the amount of \$2,547,412 to Maria Larsen on July 7, 2022.

**CLAIMS PROCESS**

- 16. Unless otherwise defined in this section, capitalized terms in this section shall have the meaning ascribed to them pursuant to the Claims Process Order. A copy of the Claims Process Order is attached hereto as **Appendix “F”**.
- 17. The Distribution Order authorized the Receiver to pay the Proven Claims, as detailed in the Second Report. The Receiver subsequently paid an amount of \$559,227 in respect of these claims, as detailed in **Appendix “G”**.
- 18. The Distribution Order also authorized the Receiver to reserve funds for those claims that remaining unresolved (the “**Disputed Claims**”). As at the Second Report, the Disputed Claims included:

<b>Claimant</b>	<b>Amount Claimed</b>
Homestore Direct Inc. o/a Rockwood Kitchens	\$72,991.49
Morris Group Financial, Inc.	\$633,750.00

Tony Guergis	\$2,599,000.00
<b>Total</b>	<b>\$3,305,741.49</b>

19. The Distribution Order further provided the Receiver with authority to make distributions to any Claimant with a Disputed Claim if any of the Disputed Claims subsequently became a Proven Claim in accordance with the Claims Process Order. The resolution of each of the Disputed Claims is detailed below.

***Homestore Direct Inc. o/a Rockwood Kitchens***

20. As noted in the Second Report, the Claimant did not have a written contract governing its provision of goods and services relating to this Disputed Claim. At the time of the Second Report, settlement discussions with the Claimant in respect of the Disputed Claim were ongoing.
21. On July 4, 2022, the Claimant filed an amended proof of claim in the amount of \$56,500. Following consultation with Larsen, the Receiver accepted the Claimant’s amended proof of claim. The Receiver provided a distribution to the Claimant on July 6, 2022.

***Morris Group Financial Inc.***

22. On November 6, 2020, prior to the commencement of the receivership, Morris Group Financial Inc. (“**Morris**”) commenced an action for breach of contract and liquidated damages in the amount of \$633,750 against the Debtors, Larsen and certain other entities related to Larsen under Court File No. CV-20-00651075-0000 (the “**Action**”). On June 16, 2021, the defendants in the Action filed a Statement of Defence defending the allegations made in the Action.
23. The Claim filed by Morris in the aggregate amount of \$633,750 was divided into two portions: (a) a claim for an Exclusivity Fee in the amount of \$528,125 (the “**Exclusivity**”

**Claim**”), and (b) a claim for a Commitment Fee in the amount of \$105,625 (the **“Commitment Fee Claim”**).

24. The basis for the Exclusivity Claim was an alleged breach of the exclusivity clause in the contract dated June 15, 2020 between Morris and the Debtors, as Borrower, and Petromaxx, as Sponsor (the **“Contract”**). Under the terms of the Contract, Morris agreed to seek, on the Debtors’ behalf, financing from a third-party lender for the development of the Real Property.
25. The Contract provided that only the Sponsor, and not the Debtors or any of the other parties to the Contract, granted exclusivity to Morris and had any obligations to Morris in connection with the Exclusivity Clause.
26. The Contract also provided for payment of a commitment fee equal to one (1) percent of the loan amount.
27. Following discussions with the Receiver, Morris agreed to amend its Claim to only include the Commitment Fee Claim.
28. Additionally, Morris requested that the Receiver lift the stay of proceedings to permit Morris to continue the Action in pursuit of its claim against the other defendants to the Action.
29. After negotiations between the Receiver and Morris, the Receiver agreed in writing pursuant to a letter agreement dated October 17, 2022 (the **“Letter Agreement”**) to consent to lift the stay of proceedings in respect of the Action to permit Morris to continue the Action as against the Debtors, on the following terms:
  - (a) the Receiver or its counsel will not be involved in the Action and the Receiver will not be requested or required to provide evidence or produce documents or records at any time in relation to the Action;
  - (b) the Debtors will retain separate litigation counsel to represent the Debtors in their defence of the Action;

- (c) the Receiver and its counsel will not incur any costs in connection with the Action;
  - (d) no costs may be sought against the Receiver or its counsel in connection with the Action;
  - (e) the Receiver or its counsel will not be required to take any steps whatsoever in connection with the Action;
  - (f) the consent to temporarily lift the stay of proceedings in respect of the Action will act as the Receiver's resolution of the Claim as filed.
30. Further, the Letter Agreement provides that, after the Receiver obtaining an order from the Court authorizing the Receiver to enter into the Letter Agreement, *nunc pro tunc*, the Receiver will transfer \$150,000 (the "**Escrow Amount**") to Loopstra Nixon LLP, to hold in escrow pending determination of the Action. The Escrow Amount is intended to cover any and all costs and damages with respect to the Debtors' potential obligations in respect of the Action, including any adverse costs award. The Letter Agreement further provides that no additional amounts will be requested from the Receiver by Morris or the Debtors in connection with the Action. A copy of the Letter Agreement among the Receiver, Morris and the other Defendants is attached as **Appendix "H"**.
31. The Receiver recommends the Court authorize the Receiver to enter into the Letter Agreement, on a *nunc pro basis*, on the basis that it is fair and equitable to all affected parties and supported by the Beneficial Owner.

***Tony Guergis***

32. Tony Guergis ("**Guergis**") filed a proof of claim in the aggregate amount of \$2,599,000 (the "**Guergis Claim**"), which was divided into two portions: (i) a claim for unpaid salary in the amount of \$300,000 plus HST (the "**Compensation Claim**"), and (ii) a claim for the value of two condominium units, valued at \$2,000,000 plus HST (the "**Condominium Claim**").



33. On December 6, 2022, the Receiver issued a Notice of Revision or Disallowance to Guergis that revised the Guergis Claim to \$326,127, reflecting the amount in respect of the Compensation Claim determined by the Receiver after carrying out a review of the Debtors' books and records. The Receiver disallowed the Condominium Claim in its entirety because Guergis did not provide sufficient documentation to support the Condominium Claim. On December 19, 2022, Guergis filed a Dispute Notice with the Receiver.
34. After being unable to consensually resolve the Guergis Claim within a reasonable time period, on February 23, 2023, the Receiver referred the Guergis Claim to the Claims Officer for adjudication.
35. On July 24, 2023, the Claims Officer provided her decision (the "**Determination**") regarding the disputed portion of the Guergis Claim. The Determination dismissed the disputed portion of the Guergis Claim in its entirety. On August 3, 2023, counsel to Guergis served a Notice of Appeal of the Determination.
36. In accordance with the Claims Process, the Receiver is authorized to, among other things, resolve or settle Claims filed with the Receiver. Following extensive discussions and negotiation between Guergis and the Receiver, and after consultation with Larsen, the entirety of the Guergis Claim was settled for the aggregate amount of \$450,000, plus HST (the "**Guergis Settlement**").
37. On May 29, 2023, Guergis' former counsel sought to schedule a motion for a solicitors' lien against the funds held by the Receiver in respect of any distributions that may be made to Guergis. The case conference was heard on June 19, 2023. Following the hearing, Justice Osborne issued an endorsement adjourning the motion to a date to be scheduling following the determination of the disputed portion of the Guergis Claim and confirming that the Receiver will not distribute any funds to Guergis until Guergis' former counsel's motion is resolved or determined. A copy of Justice Osborne's Endorsement is attached hereto as Appendix "I".
38. Concurrent with the Guergis Settlement, Guergis provided two directions to the Receiver to make distributions as follows:

<b>Payee</b>	<b>Amount (incl. HST)</b>
Bouchelev Law Professional Corporation	\$15,204.15
Torkin Manes LLP, in trust	\$493,295.85

39. Pursuant to the directions, the Receiver provided distributions to Bouchelev Law Professional Corporation and Torkin Manes LLP, in trust, on August 18, 2023.

***Canada Revenue Agency***

40. The Receiver filed the Debtors’ outstanding corporate tax returns for the years ending December 31, 2020 and December 31, 2021, each of which has been assessed a Nil balance.
41. Furthermore, as a result of a Bare Trust Agreement, described in paragraph 13 of the Second Report, the Debtors and Larsen agreed that all Harmonized Sales Tax (“**HST**”) on expenses shall be claimed by 7 Generations and that all HST collected during the receivership will be remitted by the Receiver to CRA. The Debtors are annual HST filers, and the total HST collections of \$958.38 were remitted by the Receiver on October 19, 2022. The HST accounts were also closed on that date.

**FEES AND DISBURSEMENTS**

42. Attached hereto as **Appendix “J”** is the Fee Affidavit of Deborah Hornbostel, sworn September 13, 2023, which attaches a copy of the Receiver’s accounts pertaining to the receivership for the period June 18, 2022 to and including August 31, 2023.<sup>1</sup> In total, the Receiver charged professional fees during this period in the amount of \$90,566, plus HST in the amount of \$11,773. This represents a total of 135.70 hours at an average rate of \$667.40 per hour. Barring any unforeseen complications, the Receiver estimates that it will cost approximately \$15,000 plus HST (the “**Receiver’s Fee Accrual**”) to complete the administration of the receivership.

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<sup>1</sup> The Receiver’s fees and expenses for the period prior to June 17, 2022 were approved pursuant to the Approval and Vesting Order and July 6<sup>th</sup> Order.

43. Attached hereto as **Appendix “K”** is the Fee Affidavit of Robert Thornton, sworn September 8, 2023, which attaches a copy of the accounts of TGF, which reflects the services provided to the Receiver for the period June 18, 2022 up to and including August 31, 2023<sup>2</sup> in the amount of \$106,047.50 plus disbursements of \$2,600.48 and HST in the amount of \$14,082.65 for a total of \$122,730.63. Barring any unforeseen complications, TGF estimates that it will cost approximately \$15,000 plus HST (together with the Receiver’s Fee Accrual, the **“Fee Accrual”**) to complete its involvement with the receivership.
44. The Receiver has reviewed the accounts of TGF and given the Receiver’s involvement in this matter, the Receiver is of the opinion that all the work set out in TGF’s accounts was carried out and was necessary. The hourly rates of the lawyers and clerks at TGF who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers and clerks with the appropriate levels of experience.

#### **RECEIVER’S STATEMENT OF RECEIPTS AND DISBURSEMENTS**

45. Attached hereto as **Appendix “L”** is a copy of the Receiver’s Interim Statement of Receipts and Disbursements (**“Interim SRD”**) indicating net receipts of \$586,782 as at September 13, 2023, together with a proforma Final Statement of Receipts and Disbursements, (**“Final SRD”**) which is prepared on the assumption that the Court grants the relief sought in the Discharge Order. The Receiver is seeking approval of the Interim SRD and Final SRD.

#### **FINAL DISTRIBUTION TO BENEFICIAL OWNER**

46. Pursuant to the Bare Trust Agreement, 7 Generations is the beneficial owner of the Real Property, and the Debtors held the Real Property for 7 Generations without any obligations, except to convey title to the Real Property to 7 Generations or to a third party following receipt of written notice from 7 Generations. The Debtors, as bare trustees, simply held legal title to the Real Property. The Bare Trust Agreement provides that the Debtors, as

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<sup>2</sup> TGF’s fees and expenses for the period prior to March 1, 2022 were approved pursuant to the Approval and Vesting Order.

trustees, declare that all of the income and proceeds derived from the Real Property, or any part thereof shall be held in trust by them for 7 Generations. All expenditures incurred in respect of the Real Property shall be borne entirely by 7 Generations.

47. As at the date of the Second Report, the Receiver estimated the excess funds available for distribution to 7 Generations was approximately \$3,046,275. The excess funds were calculated by deducting from the funds held by the Receiver at that time (\$10,160,400):
- (a) a reserve for:
    - (i) the remaining Disputed Claims; and
    - (ii) an estimate of the professional fees to be incurred in connection with the adjudication of the Disputed Claims (including the fees of the Claims Officer) and the final administration of the receivership proceeding; and
  - (b) payment of:
    - (i) the Proven Claims, as detailed in the Second Report; and
    - (ii) the accrued and outstanding professional fees.
48. Following the final resolution of all Claims filed with the Receiver pursuant to the Claims Process and the payment of the professional fees and expenses incurred and estimated to be incurred, there will be additional funds available for distribution to 7 Generations.
49. The Receiver, as the legal representative of the Debtors, would typically require a clearance certificate or comfort letter from CRA before distributing assets. Given the existence of the Bare Trust Agreement, more particularly that the proceeds derived from the Real Property is held in trust by the Debtors for 7 Generations, it is the Receiver's view that a clearance certificate or comfort letter is not required in order for funds to be distributed to 7 Generations. The Receiver intends on serving CRA, through the Department of Justice, with notice of its motion.
50. Given the foregoing and subject to Court approval, the Receiver seeks authorization to make the following payments and distributions (the "**Proposed Distribution**"):

- (a) first, payment of the final accounts of the Receiver and TGF, as taxed, including the estimated fees to complete the administration of the receivership;
- (b) second, \$150,000 to Loopstra Nixon, in trust, in accordance with the Letter Agreement; and
- (c) third, a distribution of the remaining funds to 7 Generations.

## **REMAINING ADMINISTRATIVE MATTERS**

51. Should the Court approve the Receiver's activities and issue the Orders requested herein, the Receiver's remaining duties include:
- (a) completing the Proposed Distribution;
  - (b) completing the issuance of the 246(3) reports pursuant to the BIA;
  - (c) paying the final professional fees of the Receiver and TGF; and
  - (d) attending to the filing of the Receiver's Discharge Certificate with the Court
- (collectively, the "**Remaining Activities**").

## **DISCHARGE OF THE RECEIVER**

52. The Receiver believes it is appropriate for it to be discharged once it has completed the Remaining Activities.
53. Upon completion of the Remaining Activities and the filing with the Court of the Receiver's Discharge Certificate, the Receiver respectfully requests that this Court approve the discharge of MNP as Receiver and grant a release of MNP in respect of any and all liability related to its role as Receiver in these receivership proceedings, with the typical carve outs from wilful misconduct and gross negligence.

## UNSEALING OF CONFIDENTIAL APPENDICES

54. Pursuant to the Approval and Vesting Order, Confidential Appendices “1”, “2”, “3” and “4” to the First Report were sealed pursuant pending further order of the Court, which contained respectively: (a) ReMax Listing Agreement dated November 4, 2021, (b) an unredacted summary of the listing proposals received from the real estate brokers, (c) a summary of the offers received by the bidders in the sales process, and (d) the unredacted Purchase Agreement dated February 4, 2022. Given that the sale of the Real Property has successfully closed, these appendices are no longer required to be sealed from the public record and the Receiver seeks an order unsealing these documents.

## RECOMMENDATION

55. For the reasons discussed in this Third Report, the Receiver recommends that the Court grant the Discharge Order.

The Receiver respectfully submits to the Court this Third Report dated September 14, 2023.

**MNP Ltd, in its capacity as the  
Court-appointed Receiver of  
2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.,  
and not in its personal or corporate capacity**



Per: \_\_\_\_\_

Sheldon Title CPA, CA, CIRP, LIT  
Senior Vice President

# Appendix "A"

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) TUESDAY, THE 9<sup>th</sup>  
 )  
JUSTICE PENNY ) DAY OF NOVEMBER, 2021  
 )

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**ORDER  
(Appointing Receiver)**

THIS APPLICATION made by the applicants, PS Holdings 1 LLC, PS Holdings 2 LLC and PS Holdings 3 LLC (collectively, the “**Applicants**”), for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing MNP





Ltd. (“**MNP**”) as receiver (in such capacity, the “**Receiver**”) without security, of the real and personal property, rights and claims of the respondents, 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. (the “**Debtors**”) described in Schedule “A” to the Receivership Order, including all proceeds thereof (collectively, the “**Property**”), was heard this day by videoconference due to the COVID-19 pandemic.

ON READING the affidavit of Paul Sadlon Jr. sworn October 18, 2021 and the Exhibits thereto and on hearing the submissions of counsel for the Applicants, the Debtors, SvN Architects + Planners Inc. and the proposed Receiver, and John DaRe appearing for himself, no one else appearing although duly served as appears from the affidavits of service and other proof of service, filed, and on reading the consent of MNP to act as the Receiver,

### **SERVICE**

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

### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP is hereby appointed Receiver, without security, of the Property.

### **RECEIVER’S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the

generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, listing agents and brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by any of the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including by:
  - (i) obtaining three (3) listing proposals from listing agents or brokers experienced in selling property similar to the Property in the same market as the Property;
  - (ii) engaging the listing agent or broker that the Receiver in its discretion deems has submitted the best listing proposal to advertise and solicit offers in respect of the Property or any part or parts thereof (the "**Realtor**");

- (iii) entering into a listing agreement with the Realtor;
  - (iv) establishing in consultation with the Realtor such terms and conditions of sale as the Receiver in its discretion may deem appropriate, including listing price, marketing strategy and deadline for offers, if appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
  - (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the

receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtors, (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 (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver 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 Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto

paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

9. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on

any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Debtors, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.



12. THIS COURT ORDERS that, without limiting the generality of the foregoing, no insurer providing insurance to the Debtors or their directors or officers shall terminate or fail to renew such insurance on the existing terms thereof provided that such insurer is paid any premiums, as would be paid in the normal course, in connection with the continuation or renewal of such insurance at current prices, subject to reasonable annual increases in the ordinary course with respect to such premiums.

### **RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors’ behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

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

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations

thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER’S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER’S ACCOUNTS**

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “**Receiver’s Charge**”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver 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 \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

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

#### **SERVICE AND NOTICE**

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at '<https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>') 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/2738283-ontario-inc-et-al](http://www.mnpdebt.ca/2738283-ontario-inc-et-al)'.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors 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**

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Debtors.

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

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

31. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a full indemnity basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party 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 this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order, and this Order is enforceable without the need for entry and filing.



A handwritten signature in blue ink, appearing to read 'Peng J.', is written above a horizontal line.

## SCHEDULE "A"

### DESCRIPTION OF PROPERTY

**"Property"** means all of the present and future legal and beneficial right, title, estate and interest in and to:

- (a) the real property municipally known as 320 Mapleview Drive West, Barrie, Ontario and legally described as PT LT 4 CON 12 INNISFIL AS IN RO1071059 EXCEPT PT 62 PL 51R24730, PTS 1 TO 5 INCL. PL 51R31988 & PTS 2 TO 4 INCL. PL 51R34959, S/T RO1272147; BARRIE, being all of PIN 58730-0303 (LT);
- (b) the real property municipally known as 692 Essa Road, Barrie, Ontario and legally described as CONSOLIDATION OF VARIOUS PROPERTIES PT LT 3 CON 12 INNISFIL BEING PT 1 PL 51R32435 & PT LTS 3 & 4 CON 12 INNISFIL BEING PTS 1 & 2 PL 51R25124, EXCEPT PT 1 PL 51R33177, S/T RO990763; INNISFIL, being all of PIN 58730-0304 (LT);
- (c) the real property municipally known as 664 Essa Road, Barrie, Ontario and legally described as PT LT 4 CON 12 INNISFIL AS IN RO1278789 EXCEPT PT 6 PL 51R31988; BARRIE, being all of PIN 58730-0240 (LT); and
- (d) the real property municipally known as 674 Essa Road, Barrie, Ontario and legally described as PT LT 4 CON 12 INNISFIL AS IN RO1244213 EXCEPT PT 61 51R24730 AND PT 251R33177; S/T RO1272150; BARRIE, being all of PIN 58730-0297 (LT),



together with all buildings, structures, fixtures and improvements of any nature or kind now or hereafter located in, on or under such lands, and all equipment, leases, rents and all other appurtenances thereto, and including all interests, appurtenant or otherwise, held now or in the future by the Debtors in lands adjacent to or used in connection with such lands and premises or in which the Debtors now or in the future have any interest or to which the Debtors are now or may in the future become entitled.

Without limiting the foregoing, “**Property**” also includes all of the following real and personal property, rights and claims and in each case, both present and after acquired: (i) all material agreements, permits and approvals relating to such Property or its development, management or operation; (ii) all expropriation proceeds relating to such Property; (iii) all insurance proceeds and any unearned insurance premiums relating to such Property; (iv) all surveys, drawings, designs, reports, studies, environmental site assessments, tests, plans and specifications relating to such Property; and (v) all renewals, substitutions, improvements, accessions, attachments, additions, replacements and proceeds to, of or from each of the foregoing components of the Property or any part thereof and all conversions of such Property or the security constituted thereby.

**SCHEDULE “B”**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that MNP, the receiver (the “**Receiver**”) of the real and personal property, rights and claims of the respondents, 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. (the “**Debtors**”) described in Schedule “A” to this Receivership Order and 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 November 2021 (the “**Order**”) made in an application having Court file number \_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver 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 Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the

charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver 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 Receiver 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 Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver 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, solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

**PS HOLDINGS 1 LLC et al.**

**-and- 2738283 ONTARIO INC. et al.**

Applicant

Respondents  
Court File No. CV-21-00670723-00CL

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**Proceeding commenced at  
Toronto**

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**ORDER  
(Appointing Receiver)**

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**FASKEN MARTINEAU DuMOULIN LLP**

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Lawyers for the applicants

## **Appendix “B”**

Court File No.: CV-21-00670723-00CL

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

**IN THE MATTER OF** Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended

**BETWEEN**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**AMENDED FIRST REPORT OF MNP LTD. AS RECEIVER OF THE ASSETS,  
UNDERTAKINGS AND PROPERTIES OF 2738283 ONTARIO INC., 2738284  
ONTARIO INC. AND 2738285 ONTARIO INC.**

**MARCH 3, 2022**

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## APPENDICES

Appendix “A”	Appointment Order dated November 9, 2021
Appendix “B”	Management/Service Agreement dated May 13, 2020
Appendix “C”	Endorsement of Justice Penny dated November 10, 2021
Appendix “D”	Summary and Listing Proposals received from the Brokers (Redacted)
Appendix “E”	Avison Young Listing Agreement
Appendix “F”	Purchase Agreement dated February 4, 2022 (Redacted)

Appendix “G”	Assignment and Assumption of Purchase Agreement dated March 3, 2022
Appendix “H”	Receiver’s Interim Statement of Receipts and Disbursements
Appendix “I”	Fee Affidavit of Deborah Hornbostel sworn February 24, 2022
Appendix “J”	Fee Affidavit of Robert Thornton sworn March 3, 2022
<u>Appendix “K”</u>	<u>ReMax Listing Agreement (Redacted)</u>

**CONFIDENTIAL APPENDICES**

Confidential Appendix “1”	ReMax Listing Agreement dated November 4, 2021
Confidential Appendix “2”	Summary and Listing Proposals received from the Brokers
Confidential Appendix “3”	Summary of Offers Received by Second-Round Bidders
Confidential Appendix “4”	Purchase Agreement dated February 4, 2022 (Unredacted)



## INTRODUCTION

1. By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 9, 2021 (the “**Appointment Order**”), MNP Ltd. was appointed receiver (in such capacity, the “**Receiver**”), without security, of those assets, undertakings and properties of 2738283 Ontario Inc. (“**283**”), 2738284 Ontario Inc. (“**284**”) and 2738285 Ontario Inc. (“**285**” and collectively, with 283 and 284, the “**Debtors**”) described in Schedule “A” to the Appointment Order, pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and section 101 of the *Courts of Justice Act*. Attached hereto as **Appendix “A”** is a copy of the Appointment Order.
2. The Appointment Order was granted on an application commenced by PS Holdings 1 LLC, PS Holdings 2 LLC and PS Holdings 3 LLC (collectively “**PS Holdings**”) as the Debtors were in default of their secured obligations to PS Holdings.
3. The Debtors are private Ontario corporations all incorporated on January 21, 2020. They have the same registered head office in Mississauga, Ontario and the sole officer and director of each of the Debtors is Blake Larsen. The Debtors’ assets principally consist of vacant real property (subject to the Leases, as defined below), that the Debtors were in the process of developing for mixed industrial and residential use. The Debtors do not employ any employees.
4. The real properties owned by the Debtors are listed in the chart below:

<b>Debtor</b>	<b>Property Address</b>	<b>Description of Real Property</b>
283	320 Mapleview Drive West, Barrie, Ontario (“ <b>320 Mapleview</b> ”); and 366 Mapleview Drive West, Barrie, Ontario (“ <b>366 Mapleview</b> ”)	5.435 acres, Light Industrial  0.724 acres, General Commercial
284	664 Essa Road, Barrie, Ontario (“ <b>664 Essa</b> ”)	6.730 acres, Light Industrial
285	674 Essa Road, Barrie, Ontario (“ <b>674 Essa</b> ”)	12.509 acres, Light Industrial

5. Copies of the parcel registers for 320 Mapleview, 366 Mapleview, 664 Essa and 674 Essa (collectively, the “**Real Property**”) were included as Exhibits C, D, E and F, respectively, to the Affidavit of Paul Sadlon Jr. sworn October 18, 2021 (the “**Sadlon Affidavit**”), included in PS Holdings’ application record dated October 22, 2021 (the “**Application Record**”).
  
6. As described in the Sadlon Affidavit, the Debtors acquired the Real Property from PS Holdings pursuant to an agreement of purchase and sale dated April 30, 2020, which closed on May 13, 2020. The Debtors’ acquired the Real Property with the intention of developing the sites as high-density, mixed-use developments.
  
7. Contemporaneously with the closing of the purchase and sale transaction, PS Holdings assigned to the Debtors its respective interests under four leases respecting elements of the Real Property, being two leases for residential houses and two leases for billboard signs (collectively, the “**Leases**”).
  
8. As described in greater detail below, the Debtors and 7 Generations Development Group Limited (“**7 Generations**”) entered into a Management/Service Agreement dated May 13, 2020 (the “**Management Agreement**”) to form and constitute a joint venture project for

the development and construction of the Real Property. Among other things, 7 Generations agreed to, on behalf of the Debtors, seek rezoning of the Real Property from industrial to mixed residential and commercial use and 7 Generations would assume control of the joint venture project on behalf of the Debtors. Pursuant to the Management Agreement, among other things, 7 Generations was authorized to act as agent on behalf of the Debtors to engage services and contractors in respect of the development of the Real Property. Blake Larsen is the principal of 7 Generations.

9. The Application Record (including the Sadlon Affidavit), Appointment Order and all other publicly available information in these proceedings, have been posted to the Receiver's website (the "**Receiver's Website**"), which can be found at: <https://mnpdebt.ca/en/corporate/corporate-engagements/2738283-ontario-inc-et-al>.

## **PURPOSE OF THIS REPORT**

10. The purpose of this first report of the Receiver (the "**First Report**") is to:
  - (a) report on the Receiver's activities since the date of the Appointment Order (the "**Appointment Date**");
  - (b) describe the Sale Process (as defined below) conducted by the Receiver to market the Real Property;
  - (c) describe the Receiver's proposed claims process (the "**Claims Process**") to assess and determine claims against the Debtors and 7 Generations in relation to the Real Property;
  - (d) provide this Court with the evidentiary basis to make an order (the "**Approval and Vesting Order**"), *inter alia*:

- (i) approving the agreement of purchase and sale between the Receiver, as vendor, and 2771280 Ontario Inc. d/b/a Ark Capital Group as subsequently assigned to Essa Rd Development Ltd. (the “**Purchaser**”), as purchaser, dated February 4, 2022 (the “**Purchase Agreement**”), and authorizing the Receiver to complete the transaction contemplated thereby (the “**Transaction**”);
  - (ii) with respect to the completion of the Transaction, vesting in the Purchaser, the Debtors’ right, title and interest in and to the Real Property, free and clear of any claims and encumbrances;
  - (iii) sealing Confidential Appendices “1”, “2”, “3” and “4” until completion of the Transaction and further order of this Court;
  - (iv) approving distributions to the Secured Creditors (as such term is defined below) upon the Receiver receiving satisfactory payout statements, in the Receiver’s sole discretion;
  - (v) approving the Receiver’s Interim Statement of Receipts and Disbursements as at February 28, 2022;
  - (vi) approving the First Report and the actions of the Receiver described herein, including, without limitation, the Sale Process; and
  - (vii) approving the fees and disbursements of the Receiver and the Receiver’s counsel, Thornton Grout Finnigan LLP (“**TGF**”);
- (e) provide this Court with the evidentiary basis to make an order (the “**Claims Process Order**”), *inter alia*, approving and authorizing the Claims Process and authorizing, directing, and empowering the Receiver to administer the Claims Process in accordance with the terms of the proposed Claims Process Order; and
- (f) the Receiver recommendations with respect to the foregoing.

## TERMS OF REFERENCE

11. In preparing this First Report, the Receiver has relied on unaudited financial and other information regarding the Debtors and the Real Property provided to it, including information (collectively the “**Information**”):
  - (a) provided by PS Holdings and its legal counsel;
  - (b) provided by Blake Larsen;
  - (c) provided by three (3) prominent commercial real estate brokerage firms (collectively, the “**Brokers**”), namely, CBRE Limited, Colliers Canada and Avison Young Commercial Real Estate Service, LP (“**Avison Young**”), each of which provided the Receiver with marketing and listing proposals for the Real Property;
  - (d) as set out in the Sadlon Affidavit, filed in connection with the application for the Appointment Order;
  - (e) provided by Canada Revenue Agency (“**CRA**”);
  - (f) provided by the Secured Creditors (defined below); and
  - (g) as otherwise available to the Receiver and its counsel.
12. Except as described in this First Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
13. All currency references are in Canadian Dollars unless otherwise specified.

## ACTIVITIES OF THE RECEIVER SINCE THE APPOINTMENT DATE

### *Initial Activities*

14. In addition to performing its statutory obligations under the BIA and taking the appropriate conservatory and protective measures, the Receiver carried out the following steps regarding the Real Property, including:
  - (a) Immediately upon its appointment, the Receiver wrote to Mr. Larsen to request various information with respect to the Debtors and the Real Property. The Receiver eventually learned that the Debtors had no books and records and that 7 Generations reported all of the liabilities of both the Debtors and 7 Generations, incurred pursuant to the Management Agreement, on the books and records of 7 Generations. The Receiver was provided with a copy of the accounts payable of 7 Generations and understands that all creditors of 7 Generations relate to services conducted in relation to the Real Property and their development; and
  - (b) On December 22, 2021, the Receiver notified the creditors of 7 Generations in the payable listing provided by Mr. Larsen of the receivership proceedings and of the Debtors' relationship with 7 Generations. The Receiver also sought and obtained an undertaking from Mr. Larsen's counsel that no further work would be undertaken by 7 Generations or its service providers with respect to the Real Property pursuant to the Management Agreement.
15. Pursuant to its authority under the Appointment Order, the Receiver borrowed the amount of \$13,500 from 683728 Ontario Ltd. via a Receiver's Certificate dated December 21, 2021 (the "**Receiver's Borrowing**") to fund the ongoing operating expenses of the Receiver and the Real Property.

### *Leases and Property Related Issues*

16. At the outset of the receivership, the Receiver had minimal information with respect to the Leases and was not receiving timely information from Mr. Larsen. The Receiver issued registered letters to the last known tenants occupying the houses on the Real Property prior to Mr. Larsen's response on that issue, but the letters were eventually returned by Canada Post.
17. The Receiver eventually learned that the upper portion of the house at 320 Mapleview was being renovated for use as a showroom and that a tenant was occupying the basement. The house at 664 Essa Road had also been undergoing renovations but that work had ceased prior to the Appointment Order being issued and that house was vacant. Upon learning of the vacancies, the Receiver arranged for inspections of the houses and changed the locks.
18. On December 1, 2021, Mr. Larsen provided the Receiver with a copy of the lease with respect to the tenant residing in the basement of 320 Mapleview, but no other contact information. The Receiver arranged for delivery of correspondence to the tenant to advise him of the receivership proceedings and to arrange for inspection of the unit. Subsequently, the Receiver arranged for proper heating to the unit, installation of smoke and CO2 detectors and payment of ongoing rent.
19. The changeover of utility services with respect to the two houses was challenging as no utility account information had been provided by Mr. Larsen. The Receiver had to contact various providers to ascertain who was providing the services. Some accounts were still in the names of tenants unknown to the Receiver and some of the utility providers were unable to locate any accounts. The Receiver eventually determined that one house was on well

water with a wood burning electric furnace and the other was heated by propane. The Receiver arranged for the termination of all utilities at 664 Essa and an inspection of the wood burning furnace at 320 Mapleview in order to comply with insurance requirements.

20. The Receiver negotiated a contract for snow removal at the Real Property to ensure that there was proper access to the houses in case of emergency.
21. For unknown reasons, a large section of the land around the back of the house on 320 Mapleview had been excavated prior to the Appointment Date. As a result of the excavation, the pipes from the water well were exposed and due to the extreme cold temperatures in January 2022, the water supply froze. The Receiver engaged a contractor to insulate the exposed piping and cover the immediate area with the soil that had previously been excavated. As a result of a snowstorm that commenced later that evening, and subsequent snowstorms, the remaining excavated area has not been addressed.
22. There are several billboards on the Real Property that are subject to two leases in existence for several years. As information was not forthcoming from Mr. Larsen with respect to the status of these billboards and lease arrangements, the Receiver tracked down the lessees and arranged for the redirection of monthly rent and the collection of rental arrears to the Receiver dating back to August 2020.
23. The Receiver arranged to be added onto the existing insurance policy of the Debtors as loss payee and insured and has arranged for a short-term extension of the policy which is set to expire on March 16, 2022. In accordance with the request of the insurer, the Receiver arranged for bi-weekly inspections of the unoccupied house.



24. The Receiver commissioned a new Phase One Environmental Report to be available to prospective purchasers during the Sale Process. No issues of concern were noted.

***Management Agreement***

25. As noted above, the Debtors and 7 Generations were party to the Management Agreement, a copy of which is attached hereto as **Appendix “B”**. The salient terms of the Management Agreement are as follows:

- (a) 7 Generations was appointed as the Manager to manage and supervise all aspects of the development and construction of improvements upon the Real Property (the “**Joint Venture Project**”), with the power to act as the duly authorized agent of the Debtors including the power to bind the Debtors as Manager for the purposes of advancing the Joint Venture Project;
- (b) 7 Generations’ responsibilities included:
  - (i) arranging for the retention of services of persons, firms or corporations to act as trades for the construction operations on the Joint Venture Project, and for retaining all necessary professional services required, and for arranging bank and institutional financing;
  - (ii) supervising all development of the Joint Venture Project and submitting all advisable municipal or provincial applications, including re-zoning and site plan applications necessary for the obtaining of approvals to permit construction of the Joint Venture Project as designed and to complete and register a plan of subdivision on the Real Property and installation of all required utilities and municipal services, including supervision and processing of all applications to municipal and other governmental authorities having jurisdiction, giving instructions to supervisors, engineers and contractors, the letting out of contracts for the performance of such services and supervising performance of such contracts;

- (iii) the direct field supervision of all trades and contractors and overseeing and directing trades and contractors in the actual construction of dwelling units and appurtenant improvements thereto upon the Real Property;
  - (iv) managing the day-to-day affairs of the Joint Venture Project; and
  - (v) the sole and exclusive control over all aspects of construction operations and sales and marketing operations of the dwellings to be constructed upon the Real Property;
- (c) the costs and expenses incurred by 7 Generations on behalf of the Joint Venture Project shall be the responsibility of the Debtors;
- (d) 7 Generations was granted the right and exclusive control over all plans, drawings, surveys and other proprietary documents and records commissioned or generated in furtherance to the Joint Venture Project until such time as 7 Generations has been reimbursed all of its costs, and paid for all of its services as contemplated therein;
- (e) a separate bank account was to be opened and maintained for the Joint Venture Project in the name of the Joint Venture Project or in such other name or names as the Debtors may from time to time agree upon. All moneys received from time to time on account of the business of the Joint Venture Project shall be paid immediately into such bank account for the time being in operation in the same drafts, cheques, bills or cash in which they are received, and all disbursements on account of the Joint Venture Project shall be made by cheque on such bank; and
- (f) 7 Generations was required to keep proper books of account on behalf of the Joint Venture Project, and make entries therein of all such matters, terms, transactions and things as are usually written and entered in books of account kept by others engaged in an enterprise of a similar nature, and each of the parties thereto shall have free access at all times to inspect, examine and copy

them, and shall at all times furnish to the other, correct information, accounts and statements of and concerning all such transactions without concealment or suppression.

26. Pursuant to the Management Agreement, 7 Generations engaged various professionals and service providers with respect to the preparation of development plans and studies related to the Real Property and submitted applications on behalf of the Debtors to the City of Barrie to request an amendment to the City of Barrie's Official Plan and zoning by-law. To date, the City of Barrie has not amended the zoning bylaws related to the Real Property, nor has it approved any redevelopment plans submitted by 7 Generations.
27. The Management Agreement entitled 7 Generations to undertake the development work relating to the Real Property. Accordingly, all of the required studies and work relating to the rezoning application and site plan approval were contracted for by 7 Generations (which, as mentioned above, is controlled by Mr. Larsen). Despite the Receiver's requests for the turnover of the documents relating to the development of the Real Property, Mr. Larsen refused to turnover such documents without full payment being made to 7 Generations for all costs incurred.
28. The Receiver did not utilize 7 Generations' services during the administration of the receivership as further development work on the Real Property was placed in abeyance during the Sale Process. Further, on December 13, 2021, Mr. Larsen's counsel confirmed to the Receiver that 7 Generations had suspended the undertaking of any further work pursuant to the Management Agreement. Accordingly, the Receiver did not adopt or perform the Management Agreement.

29. It is the Receiver's understanding that most, if not all, of the studies and reports related to the rezoning application and site plan approval were accessible to the public on the City of Barrie's website and accordingly, during the Sale Process, as detailed below, prospective purchasers were directed there to review that material as needed. Furthermore, the Receiver was advised by Avison Young, which, as detailed below, was chosen to be the Receiver's agent in marketing the Real Property, that none of the prospective purchasers had raised any concerns during the Sale Process about access and use of these reports because no related site plan had been approved by the City of Barrie and due to the overly high-density plans contemplated, it was unlikely to be approved in its current form by the City of Barrie.

## **SALE PROCESS**

### *Steps Taken Prior to the Appointment Date*

30. On November 4, 2021, prior to the Appointment Date, 7 Generations entered into a listing agreement (the "**Remax Listing Agreement**") with Remax West Realty Inc. ("**ReMax**"). The ReMax Listing Agreement granted ReMax the exclusive the right to act as 7 Generation's agent from November 4, 2021 to December 30, 2021 to sell the Real Property based on the listing price included therein. A redacted copy of the ReMax Listing Agreement is attached as **Appendix "K"**. It is the Receiver's understanding that the ReMax Listing Agreement, and listing price therein, was not previously disclosed to the public. A copy of the ReMax Listing Agreement is attached as **Confidential Appendix "1"**.
31. The Receiver's understanding is that the ReMax Listing Agreement resulted in the submission of at least two offers for the purchase of the Real Property. In response to the

Application Record, the Debtor's counsel filed a Responding Motion Record requesting an adjournment to PS Holdings' application to appoint the Receiver in order to provide the Debtors an opportunity to enter into the purchase agreement exhibited in its Motion Record (the "**Pre-Receivership Offer**") and close that sale transaction with such purchaser (who was named "a company to be incorporated") (the "**Pre-Receivership Bidder**").

32. The Pre-Receivership Offer provided for, *inter alia*, a deposit of approximately 1% of the purchase price, an \$8 million vendor takeback mortgage (as partial payment of the total proposed purchase price), a closing date of January 22, 2022 and a title search provision until January 13, 2022.
33. Justice Penny denied the adjournment request and granted the Appointment Order. In His Honour's Endorsement dated November 10, 2021 (the "**Endorsement**"), Justice Penny stated that "there is significant risk that the proposed agreement of purchase and sale will not close, leaving the applicants to pursue their remedies with even greater arrears and with even more complications associated with realizing on their security". A copy of the Endorsement is attached hereto as **Appendix "C"**.
34. The Receiver did not adopt the ReMax Listing Agreement, and rather, as described below, commenced the Sale Process in accordance with the terms under the Appointment Order.
35. After the Receiver's appointment, further potential purchasers contacted the Receiver desiring to quickly make a deal to purchase the Real Property. The Receiver and its counsel also had continued discussions with the Pre-Receivership Bidder and its counsel. The Receiver was presented with an unsigned financing commitment letter from the Pre-Receivership Bidder, in an effort to respond to the Receiver's concerns about its ability to

close the proposed transaction. Among other things, the commitment letter was conditional on due diligence, in the lender's sole discretion, which included appraisal values and syndication of the loan.

36. Between the Appointment Date and December 3, 2021, the Pre-Receivership Bidder worked diligently to enhance its offer by, among other things, agreeing to waive certain of the conditions in the Pre-Receivership Offer and having its lender firm up aspects of the commitment letter. After taking these steps, the Pre-Receivership Bidder's legal counsel asked the Receiver to reconsider acceptance of the offer.
37. After considering the terms of the enhanced offer submitted by the Pre-Receivership Bidder, receiving input from the Brokers, including Avison Young, and consulting with PS Holdings, the Receiver elected to proceed with the sale process contemplated by the Appointment Order (the "**Sale Process**") for the following reasons:
  - (a) it was apparent from the early results of the ReMax listing that there appeared to be significant interest in the Real Property;
  - (b) the parties that had already expressed interest in the Real Property could participate in the Sale Process; and
  - (c) the Sale Process would result in the Real Property being widely marketed in a fair and transparent process that could lead to submission of competitive bids, including a bid that may be favourable to the Pre-Receivership Bidder's offer.
38. The Receiver advised counsel to the Pre-Receivership Bidder of its decision to proceed with the Sale Process and invited it to participate in the Sale Process.

*Receiver's Sale Process*

39. The Appointment Order authorized the Receiver to market the Real Property, including by:
- (a) obtaining three (3) listing proposals from listing agents or brokers experienced in selling property similar to the Real Property in the same market as the Real Property;
  - (b) engaging the listing agent or broker that the Receiver in its discretion deems has submitted the best listing proposal to advertise and solicit offers in respect of the Property or any part or parts thereof (the "**Realtor**");
  - (c) entering into a listing agreement with the Realtor; and
  - (d) establishing, in consultation with the Realtor, such terms and conditions of sale as the Receiver in its discretion may deem appropriate, including listing price, marketing strategy and deadline for offers, if appropriate.
40. In accordance with the Sale Process, the Receiver obtained three listing proposals from the Brokers, each of whom was experienced in selling property similar to the Real Property and in the same market as the Real Property. The listing proposals also included estimates of their expected selling prices. The listing proposals were initially due on November 19, 2021. Upon review of the proposals, the Receiver requested all three Brokers to resubmit their best proposals by November 24, 2021. Attached as **Confidential Appendix "2"** is the listing proposals received by the Brokers (the "**Listing Proposals**"), along with a summary of the key terms of the Listing Proposals (the "**Proposals Summary**"). Attached as **Appendix "D"** is a redacted version of the Proposals Summary (redacted for references to the Brokers' compensation structure, other than Avison Young), and redacted versions of

the Listing Proposals (which have been redacted for any references to selling price, valuation, compensation, and challenges and concerns, as applicable).

41. Each of the Brokers recommended marketing the Real Property as an unpriced offering on MLS with a sealed bid deadline of similar timelines. Accordingly, in selecting a Broker to represent it, the Receiver gave significant weight to the commission structure and selected Avison Young as its listing agent because it had the lowest commission structure of a maximum of 1.5% of the selling price. On December 2, 2021, the Receiver executed a listing agreement with Avison Young, a copy of which is attached hereto as **Appendix “E”**.
42. The Sale Process commenced on December 9, 2021 and called for offer submissions by no later than 5:00 p.m. on January 31, 2022 (the “**Bid Deadline**”). Although Avison Young had initially recommended a four-week marketing period, the Receiver extended the marketing timeline due to the upcoming holiday period to ensure that all potential bidders would have sufficient time to complete due diligence and financing arrangements, if necessary, by the Bid Deadline.
43. The Sale Process required all potential purchasers to execute the Receiver’s form of Non-Disclosure Agreement (“**NDA**”) and submit their offers using the Receiver’s template Agreement of Purchase and Sale, along with providing a deposit of ten percent of the offer price and evidence of financial ability to complete the purchase. A data room was administered by Avison Young and access was only granted to those parties who executed the NDA.
44. Key points from Avison Young’s final marketing report to the Receiver are the following:



- (a) the Real Property was listed on both the Barrie and Toronto MLS systems;
  - (b) advertisements were placed for several days in the *Globe & Mail* and on LinkedIn;
  - (c) over 16,500 emails in total were sent out to potential purchasers on December 9, 2021, January 6, 21 and 27, 2022;
  - (d) 41 NDAs were executed during the almost 8-week marketing period; and
  - (e) access to the data room was granted to 70 individuals pursuant to those NDAs, as certain parties were represented by a number of individuals.
45. The Receiver also arranged for the Sale Process to be advertised in *Insolvency Insider*, a weekly email newsletter distributed to a database of Canadian insolvency and restructuring professionals.
46. Accordingly, the opportunity to purchase the Real Property was widely marketed.
47. A total of eight offers from six different bidders were received by the Bid Deadline. Two of the bidders submitted both conditional and unconditional offers at different price offerings.
48. After review of the offers, and in consultation with Avison Young, the Receiver instructed Avison Young to request three of the offerors to reconsider their offers and provided them until 5:00 p.m. on February 3, 2022 (the “**Extended Bid Deadline**”) to resubmit enhanced offers.
49. Avison Young received three enhanced offers by the Extended Bid Deadline. Attached hereto as **Confidential Appendix “3”** is a summary of the second-round offers received by the Extended Bid Deadline.

50. In the Receiver's view, and in consultation with Avison Young, the offer submitted by the Purchaser was the superior offer. Accordingly, on February 4, 2022, the Receiver accepted and executed the Purchase Agreement, which is described in greater detail below.

***Purchase Agreement***

51. A redacted copy of the Purchase Agreement (which is redacted only with respect to the Purchase Price and deposit amount) is attached hereto as **Appendix "F"**. An unredacted copy of the Purchase Agreement is attached hereto as **Confidential Appendix "4"**.

52. On March 3, 2022, the Purchaser executed an Assignment and Assumption of Purchase Agreement to assign the Purchase Agreement to Essa Rd Development Ltd., as provided for in Section 8.12 of the Purchase Agreement. A copy of that agreement is attached hereto as **Appendix "G"**, with the purchase price and deposit amount redacted from the Purchase Agreement contained in Schedule "A" attached thereto.

53. Salient terms of the Purchase Agreement are as follows:

- (a) the Purchaser has paid to the Receiver a deposit equal to 19.24% of the Purchase Price (which, notably, is nearly double the 10% deposit requested by the Receiver in the Sale Process and is substantially higher than the proposed deposit in the Pre-Receivership Offer), which shall be released to the Receiver if closing of the Transaction does not occur by reason of an uncured default of the Purchaser or the Purchaser's failure to close the Transaction (subject to the limited exceptions set out in the Purchase Agreement);
- (b) the closing of the Transaction is subject only to Court approval and the provision of an environmental reliance letter, the latter of which the Receiver has already obtained. There are no other conditions to closing of the Transaction;

- (c) closing of the Transaction is to take place on the later of (i) March 15, 2022, or (ii) 10 days after the date on which the Approval and Vesting Order is granted by the Court, or such other date as the parties may agree to in writing; and
- (d) the sale of the Real Property is on an “as is, where is” basis, with no representation or warranties provided by the Receiver.

54. The Receiver recommends that the Court approve the Transaction contemplated by the Purchase Agreement for the following reasons:

- (a) the Sale Process has been fair and transparent and allowed for sufficient exposure of the Real Property to properly canvass the market for a purchaser;
- (b) to the best of the Receiver’s knowledge, all reasonable requests for information made by potential purchasers were satisfied;
- (c) the proposed purchase price is consistent with the estimates of value provided to the Receiver by the Brokers and is higher than the listing price under the ReMax Listing Agreement;
- (d) the Purchase Agreement represents the highest and best realization for the Real Property;
- (e) the deposit amount provided by the Purchaser to the Receiver exceeds the Receiver’s requirements pursuant to the Sale Process and demonstrates the Purchaser’s seriousness and willingness to close the Transaction;
- (f) the terms and conditions contained within the Purchase Agreement are commercially reasonable; and
- (g) completion of the Transaction will allow for payment in full to the Secured Creditors and potentially full payment to all unsecured creditors of the Debtors (depending on the results of the Claims Process).

## **APPROVAL OF SEALING ORDER**

55. The Receiver is seeking an order from the Court sealing Confidential Appendices “1”, “2”, “3” and “4”, which, respectively, consist of (i) the unredacted ReMax Listing Agreement, (ii) the unredacted Proposals Summary and Listing Proposals, (iii) a summary of the offers received by the bidders in the Sale Process, and (iv) an unredacted Purchase Agreement. With the exception of Confidential Appendix “3” (being the summary of offers received), unredacted versions of these appendices are attached to this First Report and the only redactions contained therein relate to the purchase price under the Purchase Agreement or proposed indications of value of the Real Property (or proposed commission structures of the Brokers other than Avison Young).
56. In the event that the Transaction does not close and the Receiver is required to remarket the Real Property, the redacted information could prejudice the Sale Process if it were made public. Such disclosure could potentially impair the value maximizing purpose of the Sale Process. For this reason, the Receiver has redacted this commercially sensitive information.
57. The Receiver is providing these Confidential Appendices to provide the Court with the benefit of the information in assisting with its determination of whether to approve the Transaction contemplated by the Purchase Agreement. The Receiver requests that the Court seal the Confidential Appendices until the Transaction has closed and subject to further order of the Court.
58. The Receiver is of the view that its approach aligns with the purpose of the Sale Process and the interests promoted thereby, is fair and reasonable in the circumstances, and will achieve the desired benefit without unduly impairing the openness of the Court’s process.

## SECURED CREDITORS AND PROPOSED DISTRIBUTIONS

59. The following schedule summarizes the registrations and the claimed indebtedness of the various secured creditors against title to the Real Property (collectively, the “**Secured Creditors**”) based on Information provided to the Receiver. The Receiver notes that SvN Architects + Planners Inc. (“**SvN**”) has security registered only against 674 Essa owned by 285 (the “**Security Registrations**”):

<b>Secured Creditor:</b>	<b>Registration Date</b>	<b>Claimed Indebtedness</b>	<b>Calculated To</b>
PS Holdings	May 13, 2020	\$ 15,398,492	March 10, 2022
RPN Finance Corp. & 1938272 Ontario Inc.	May 13, 2020	1,436,690	March 10, 2022
Computershare Trust Company of Canada	December 3, 2020	339,066	March 10, 2022
SvN Architects + Planners Inc.	March 29, 2021	711,931	February 28, 2022
John DaRe	December 7, 2021	167,655	March 10, 2022
Maria Louise Larsen	December 7, 2021	243,856	March 10, 2022
<b>Total</b>		<b>\$ 18,297,690</b>	

60. The Receiver notes that the above claimed amounts are subject to increase as a result of accruing fees and interest by certain of the Secured Creditors up to the closing of the Transaction.
61. The Receiver has received an independent security opinion from Wildeboer Dellelce LLP, TGF’s real estate counsel, with respect to the Security Registrations. Subject to the usual qualifications, assumptions and disclaimers expected with such an opinion, the opinion confirms the validity and enforceability of the Security Registrations. It also provides details with respect to other specific encumbrances such as reference plans, transfers, bylaws and easements and the Receivership Order.

62. In addition to the Security Registrations, Glen Schnarr & Associates Inc. (“**Schnarr**”) registered a construction lien (the “**Schnarr Lien**”) on the Real Property on January 17, 2022, with respect to professional planning services that were contracted for by 7 Generations relating to the rezoning of the Real Property in the amount of \$20,001.02. A review of the invoices comprising the Schnarr Lien amount reveal that Schnarr invoiced for services performed on November 22, 2021 (i.e., after the Appointment Date). The Schnarr Lien was registered within 60 days of that day and appears to be a valid lien as against the Real Property.
63. As part of its review of the Secured Creditor’s claims, the Receiver requested each of the Secured Creditors to provide it with a payout statement and documentary evidence to support its claim. Since receiving the payout statements, the Receiver has engaged in discussions with, and requested additional information from, certain of the Secured Creditors. The Receiver is undertaking further review in respect of certain amounts being claimed by the Secured Creditors and is endeavouring to finalize its review as soon as possible. Currently, and as detailed below, the amounts that remain in dispute or requiring further support are (i) \$32,000 claimed by RPN Finance Corp. (“**RPN**”) & 1938272 Ontario Inc. (“**193**”) and (ii) \$243,856 claimed by Maria Louise Larsen (collectively, the “**Disputed Amounts**”).
64. Accordingly, forthwith after closing of the Transaction, the Receiver proposes to pay the amounts owing to the Secured Creditors, as set out in the table at paragraph 59 above, less the Disputed Amounts (the “**Approved Distributions**”), and to make further distributions to each of RPN and Ms. Larsen upon satisfactory resolution of the Disputed Amounts.

65. Below is a table that summarizes each of the Secured Creditor’s claims, any concerns raised by the Receiver with respect to same, and details regarding the Disputed Amounts:

<b>Secured Creditor</b>	<b>Description of Claim</b>	<b>Details of Disputed Amount</b>
PS Holdings	Pursuant to two promissory notes (the “Notes”), each dated May 13, 2020, the Debtors, jointly and severally, promised to pay PS Holdings the principal amount of \$13,000,000. As security for the repayment of the indebtedness owing under the Notes, the Debtors granted to PS Holdings, among other security, a first charge against the Real Property.	There is some ambiguity in the wording of the interest provision, particularly as it relates to the compounding of interest. After discussions, the Receiver and PS Holdings settled the interest issue.
RPN	RPN advanced an amount of \$1,200,000 as a second mortgage against the Real Property and registered a charge against the Real Property on May 13, 2020.	The Receiver has requested additional information to support \$32,000 reflected on the payout statement provided to it by RPN, including a \$14,000 “term bonus” and a \$18,000 renewal fee. In late February, counsel for RPN and 193 advised the Receiver that RPN was in the process of purchasing the interest of 193 in their shared mortgage and that RPN would be registering a transfer of charge to remove 193 from title. To date, the Receiver has not received confirmation of that transaction.
Computershare Trust Company of Canada	Equityline Mortgage Investment Corporation (“Equityline”) advanced \$250,000 and registered a third mortgage against the Real Property.	Equityline’s payout statement initially included a three-month penalty in the amount of \$10,112 and \$11,000 in monthly late payment charges.

		<p>Notwithstanding that the loan agreement provided for collection of such an amount, case law and various statutes (Section 17 of the <i>Mortgages Act</i> (Ontario) and Section 8 of the <i>Interest Act</i> (Canada)) do not permit such a three-month interest penalty following maturity over and above the interest that would accrue. Following discussions with the Receiver, Equityline agreed to remove the three-month penalty charges and \$9,900 in late payment fees from its payout statement.</p>
SVN Architects + Planners Inc.	<p>SvN provided services to an entity owned by Mr. Larsen with respect to three different development projects, including the property owned by 285. The outstanding balance owing from all three projects was rolled into one promissory note, at the direction of Mr. Larsen, and that promissory note was executed by him on behalf of 285 in the principal amount of \$665,889.69, which was secured by a charge on the property owned by 285. Only \$145,615 of the amount secured relates to services provided to the property owned by 285.</p>	<p>The Receiver is investigating its ability to pursue a claim for contribution and indemnity from the third party entities with respect to their respective portions of the costs incurred for services rendered by SvN, as to be paid for by 285.</p>
John DaRe	<p>Mr. DaRe provided legal services to the Debtors and obtained a promissory note from the Debtors dated June 16, 2021 in the amount of \$160,986.22 with respect to unpaid legal fees relating to the Debtors and was secured by a charge on the Real Property.</p>	N/A



Maria Louise Larsen	Ms. Larsen has registered a charge against the Real Property in the amount of \$2,500,000. The Receiver has been advised by John DaRe and Ms. Larsen that the amount advanced was \$243,856 at the date of the original purchase of the Real Property by the Debtors.	The Receiver has yet to receive definitive evidence that the funds were advanced from Maria Louise Larsen or a discharge statement satisfactory to the Receiver.
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- 66. The Receiver obtained Certificates of property tax arrears from the City of Barrie for the Real Property dated December 3, 2021 in the total amount of \$44,546.75 (the “**Tax Arrears**”). Arrears have continued to accrue since that date and are expected to be paid in full upon completion of the Transaction.
  
- 67. From the net proceeds of the sale of the Real Property, the Receiver proposes to distribute funds to repay in full, in addition to all outstanding fees and disbursements of the Receiver and TGF, (i) the Receiver’s Borrowing, (ii) the Tax Arrears; (iii) the Approved Distributions to the Secured Creditors pursuant to the Security Registrations; and (iv) the Schnarr Lien. The Receiver proposes to distribute the Disputed Amounts (or the agreed portion thereof) to the Secured Creditors upon receiving satisfactory documentation from the applicable Secured Creditors.

**UNSECURED CREDITORS AND INCOME TAXES**

*Trade Debt*

- 68. Based on the preliminary information provided to the Receiver, the Debtors reported liabilities of approximately \$964,000 owing to its unsecured creditors. This preliminary list of creditors did not include amounts owing by the Debtors to 7 Generations and/or to

those parties that supplied goods and services to 7 Generations in relation to the Real Property pursuant to the Management Agreement.

69. Based on the subsequent information provided to the Receiver by 7 Generations, there is approximately \$1 million in known unsecured liabilities related to the development of the Real Property on the books and records of 7 Generations. 7 Generations may also have a claim against the Debtors for compensation pursuant to the Management Agreement.

***Statement of Claim***

70. A Statement of Claim (the “**Action**”) has been issued by Morris Group Financial, Inc. (“**Morris**”) against the Debtors, Mr. Larsen and other companies related to Mr. Larsen for breach of contract and liquidated damages in the amount of \$633,750. This proceeding is stayed as a result of the Appointment Order. Counsel for the Debtors in such proceeding is in the process of bringing a motion to be removed as solicitors of record.

71. On March 2, 2022, Morris served the Receiver with a Notice of Motion (the “**Morris Motion**”) for a motion returnable on March 10, 2022 seeking an order from the Court to lift the stay of proceedings to, *inter alia*:

- (a) permit Morris to make a bankruptcy application under section 43 of the BIA in respect of the Debtors; and
- (b) continue the Action against the Debtors.

72. Prior to serving the Morris Motion, Morris’s counsel requested that the Receiver consent to lift the stay of proceedings in connection with the foregoing relief. On February 9, 2022, TGF advised Morris that the Receiver does not consent to such lift stay request for the following reasons: (i) the Receiver has entered into the Purchase Agreement, which would

provide for the repayment of all secured creditors, and possibly unsecured creditors, in full, (ii) the Receiver intends to commence the Claims Process, as detailed below, to determine and resolve all remaining claims against the Debtors, which would include the Action; (iii) the Receiver will make any distributions to both secured and unsecured creditors of the Debtors; (iv) there is no basis for a bankruptcy given that the purchase price of the Transaction is likely to exceed all claims against the Debtors; and (v) there is already a Court-supervised proceeding and the appointment of a trustee in bankruptcy would lead to unnecessary duplication of efforts and costs.

73. The Receiver intends to formally respond to the Morris Motion.

*Canada Revenue Agency*

74. The Receiver has arranged for online access to the Debtors' accounts and has confirmed that no corporate income tax returns have been filed. The Debtors are annual HST filers and had filed NIL returns for the year ending December 31, 2020. Based on information received from Mr. Larsen, the Receiver filed NIL HST returns for the year 2021.
75. Completion of the Transaction will likely result in taxable income to the Debtors for the 2022 fiscal year.
76. Based on the Receiver's initial consideration of possible corporate income taxes that may become owing by the Debtors in connection with any sale of the Property, the Receiver notes that the realization of the Real Property may lead to corporate income tax implications that could add to the unsecured creditor pool. Given that the Debtors' purchased the Real Property with the sole intent to develop and sell the Real Property, the gain on the sale of the property will likely be treated as regular business income and subject to applicable

business corporate tax rates as opposed to a capital gain or investment tax rates. This tax liability will be subject to the existing priorities and will represent an additional unsecured claim.

## **CLAIMS PROCESS**

77. Unless otherwise defined in this section, capitalized terms not otherwise defined shall have the meaning ascribed to them pursuant to the Claims Process Order.
78. The Receiver has reviewed the books and records provided in respect of the Debtors and 7 Generations and has determined that the records related to the Debtors' payables are insufficient and not reliable. As a result, the Receiver has developed the Claims Process to call for, review and assess the extent of unsecured creditor claims against both (i) the Debtors, and (ii) 7 Generations in respect of Claims related to the Real Property (such Claims, a "**7 Generations Claim**") given that, pursuant to the Management Agreement, the Debtors are liable for such Claims and wishes to ensure that any such creditors are known to the Receiver.
79. Additionally, any tax liability arising from the sale of the Real Property may be reduced by expenses incurred by the Debtors. To enable the Receiver to properly calculate the Debtors' tax liability, the Receiver must conduct the Claims Process to identify all applicable expenses.
80. A summary of the Claims Process is as follows:

- (a) Any Claimant that has a Claim against either the Debtors or as against 7 Generations in relation to the Real Property, with the exception of claims from CRA with respect to any assessments arising from the filing of corporate tax returns filed in relation to the disposition of the Real Property, is required to submit a Proof of Claim to the Receiver by April 29, 2022 (the “**Claims Bar Date**”), failing which, any such Claims as against the Debtors or 7 Generations Claims against 7 Generations shall be extinguished and barred;
- (b) the Claims Process Order approves the forms of Notice to Claimants, Proof of Claim and Notice of Revision or Disallowance for the purpose of administering the Claims Process, and authorizes the Receiver to administer same;
- (c) the Receiver is required to (i) no later than five Business Days following the date of the Claims Process Order, if granted, post a copy of the Claims Process Order, Notice to Claimants and Proof of Claim form on the Receiver’s Website; and send such documents to all known creditors of the Debtors and 7 Generations; and (ii) send a copy of the Claims Package to any Person claiming to be a creditor of the Debtors or 7 Generations;
- (d) the Receiver shall publish and advertise the Notice to Claimants in the *Globe and Mail* as soon as practicable after the date of the Claims Process Order, if granted;
- (e) every Claimant asserting a Claim against the Debtors or 7 Generations is required to set out its Claim in a Proof of Claim, including supporting documentation, and deliver that Proof of Claim to the Receiver so that it is actually received by the Receiver by no later than the Claims Bar Date;
- (f) subject to the terms of the Claims Process Order, the Receiver shall review all Proofs of Claim and may:

- (i) request additional information from a Claimant and /or the Debtors or 7 Generations to assist with such review and assessment;
  - (ii) request that a Claimant file a revised Proof of Claim;
  - (iii) attempt to resolve and settle any issue arising in a Proof of Claim in respect of a Claim;
  - (iv) accept (in whole or in part) the amount of any Claim and notify the Claimant in writing;
  - (v) revise or disallow (in whole or in part) the amount of any Claim by delivering a Notice of Revision or Disallowance to such Claimant; and
  - (vi) consult with 7 Generations and Blake Larsen in respect of any Claims.
- (g) where a Claimant has received a Notice of Revision or Disallowance and wishes to dispute same, it shall file with the Receiver a Dispute Notice by no later than fourteen days upon receipt of the Notice of Revision or Disallowance;
- (h) the Receiver may attempt to resolve the disputed Claim as set out in the Dispute Notice, or refer such disputed Claim to the Court or a Claims Officer for adjudication;
- (i) where a Claim has been accepted by the Receiver, such Claim shall constitute a Proven Claim; and
- (j) the Receiver may from time to time apply to this Court to amend, vary, supplement or replace the Claims Process Order or for advice and directions concerning the discharge of its powers and duties under the Claims Process Order or the interpretation or application of the Claims Process Order.

81. The Receiver is of the view that the implementation of a Claims Process to identify Claims of creditors is appropriate and necessary in the circumstances. The Receiver is therefore

seeking the Court's approval to administer the Claims Process with corresponding powers to determine and settle all Claims against the Debtors and/or 7 Generations in respect of the Real Property, subject to Court supervision and approval.

## **RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS**

82. Attached hereto as **Appendix "H"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements for the period November 9, 2021 to February 28, 2022 (the "**R&D**"), indicating net receipts of \$10,928.92, excluding the deposit paid by the Purchaser with respect to the Purchase Agreement.
83. As mentioned earlier in this First Report, funding for the ongoing operating expenses of the Receiver was provided pursuant to the Receiver's Borrowing, which is reflected in the R&D.

## **FEES AND DISBURSEMENTS**

84. Attached hereto as **Appendix "I"** is the Fee Affidavit of Deborah Hornbostel, sworn February 24, 2022, which attaches a copy of the Receiver's accounts pertaining to the receivership for the period October 12, 2021 to and including February 22, 2022. In total, the Receiver has charged professional fees in the amount of \$150,029.10, exclusive of HST of \$19,503.78. This represents a total of 263.2 hours at an average rate of \$570 per hour.
85. Attached hereto as **Appendix "J"** is the Fee Affidavit of Robert Thornton, sworn March 3, 2022, which attaches a copy of the accounts of TGF, which reflects the services provided to the Receiver in the amount of \$63,772.50 plus disbursements of \$8,223.85 and applicable taxes in the amount of \$9,334.81 for a total of \$81,331.16 for the period October 12, 2021

to and including February 28, 2022. The disbursements reflect an invoice provided to TGF from Wildeboer Dellelce LLP, its real estate counsel.

86. The Receiver has reviewed the accounts of TGF and, given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work set out in TGF's accounts was carried out and was necessary. The hourly rates of the lawyers and clerks at TGF who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers and clerks with the appropriate levels of experience.

### **RECOMMENDATION**

87. For the reasons discussed in this First Report, the Receiver recommends that the Court grant the requested Approval and Vesting Order and the Claims Process Order.

The Receiver respectfully submits to the Court this First Report, dated March 3, 2022, as amended on March 7, 2022.

**MNP Ltd, in its capacity as the  
Court-appointed Receiver of  
2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.,  
and not in its personal or corporate capacity**

Per:



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Sheldon Title CPA, CA, CIRP, LIT  
Senior Vice President



## **Appendix “C”**

Court File No.: CV-21-00670723-00CL

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

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended**

**BETWEEN**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**SECOND REPORT OF MNP LTD. AS RECEIVER OF THE ASSETS,  
UNDERTAKINGS AND PROPERTIES OF 2738283 ONTARIO INC., 2738284  
ONTARIO INC. AND 2738285 ONTARIO INC.**

**JUNE 24, 2022**

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## APPENDICES

Appendix “A”	Appointment Order dated November 9, 2021
Appendix “B”	Management/Service Agreement dated May 13, 2020
Appendix “C”	Amended First Report of The Receiver dated March 7, 2022 (without appendices)
Appendix “D”	Approval and Vesting Order dated March 10, 2022
Appendix “E”	Claims Process Order dated March 10, 2022
Appendix “F”	Bare Trust Agreement dated May 13, 2020
Appendix “G”	Wildeboer Dellelce LLP Letter dated May 30, 2022
Appendix “H”	Affidavit of Mailing to Creditors
Appendix “I”	<i>Globe and Mail</i> Advertisement
Appendix “J”	Fee Affidavit of Deborah Hornbostel sworn June 22, 2022
Appendix “K”	Fee Affidavit of Robert Thornton sworn June 22, 2022
Appendix “L”	Receiver’s Interim Statement of Receipts and Disbursements

## INTRODUCTION

1. By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 9, 2021 (the “**Appointment Order**”), MNP Ltd. was appointed receiver (in such capacity, the “**Receiver**”), without security, of those assets, undertakings and properties of 2738283 Ontario Inc. (“**283**”), 2738284 Ontario Inc. (“**284**”) and 2738285 Ontario Inc. (“**285**” and collectively, with 283 and 284, the “**Debtors**”) described in Schedule “A” to the Appointment Order, pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and section 101 of the *Courts of Justice Act*. Attached hereto as **Appendix “A”** is a copy of the Appointment Order.
2. The Appointment Order was granted on an application commenced by PS Holdings 1 LLC, PS Holdings 2 LLC and PS Holdings 3 LLC (collectively “**PS Holdings**”) as the Debtors were in default of their secured obligations to PS Holdings.
3. The Debtors are private Ontario corporations all incorporated on January 21, 2020. They have the same registered head office in Mississauga, Ontario and the sole officer and director of each of the Debtors is Blake Larsen. The Debtors’ assets principally consisted of vacant real property acquired by the Debtors from PS Holdings on May 13, 2020 (the “**Real Property**”) that the Debtors were in the process of developing for mixed industrial and residential use. The Debtors did not employ any employees.
4. The Real Property owned by the Debtors at the time of the Appointment Order are listed in the chart below:

<b>Debtor</b>	<b>Property Address</b>	<b>Description of Real Property</b>
283	320 Mapleview Drive West, Barrie, Ontario; and 366 Mapleview Drive West, Barrie, Ontario	5.435 acres, Light Industrial 0.724 acres, General Commercial
284	664 Essa Road, Barrie, Ontario	6.730 acres, Light Industrial
285	674 Essa Road, Barrie, Ontario	12.509 acres, Light Industrial

5. The Debtors and 7 Generations Development Group Limited (“**7 Generations**” or the “**Beneficial Owner**”) entered into a Management/Service Agreement dated May 13, 2020

(the “**Management Agreement**”). Pursuant to the Management Agreement, among other things, 7 Generations was authorized to act as agent on behalf of the Debtors to engage services and contractors in respect of the development of the Real Property. Blake Larsen is the principal of 7 Generations. A copy of the Management Agreement is attached hereto as **Appendix “B”**.

6. On March 7, 2022, the Receiver issued its Amended First Report of the Receiver dated March 3, 2022 (the “**First Report**”), a copy of which is attached hereto (without appendices) as **Appendix “C”**, in support of its motion heard on March 10, 2022 (the “**Sale Motion**”) with respect to obtaining:

- (a) An Order (the “**Approval and Vesting Order**”), among other things:
  - (i) approving the agreement of purchase and sale between the Receiver, as vendor, and 2771280 Ontario Inc. d/b/a Ark Capital Group as subsequently assigned to Essa Rd Development Ltd. (the “**Purchaser**”), as purchaser, dated February 4, 2022 (the “**Purchase Agreement**”), and authorizing the Receiver to complete the transaction contemplated thereby (the “**Transaction**”);
  - (ii) with respect to the completion of the Transaction, vesting in the Purchaser, the Debtors’ right, title and interest in and to the Real Property, free and clear of any claims and encumbrances;
  - (iii) sealing the Confidential Appendices to the First Report until completion of the Transaction and further order of this Court;
  - (iv) approving distributions to the Secured Creditors (as defined below) upon the Receiver receiving satisfactory payout statements, in the Receiver’s sole discretion;
  - (v) approving the Receiver’s Interim Statement of Receipts and Disbursements as at February 28, 2022;

- (vi) approving the First Report and the actions of the Receiver described therein, including, without limitation, the Sale Process (as defined within the First Report);
  - (vii) approving the fees and disbursements of the Receiver and the Receiver’s counsel; and
- (b) An Order (the “**Claims Process Order**”), *inter alia*, approving and authorizing the Receiver to conduct a claims process (the “**Claims Process**”) to call for, assess and determine claims against the Debtors and 7 Generations in relation to the Real Property and authorizing, directing, and empowering the Receiver to administer the Claims Process in accordance with the terms of the proposed Claims Process Order.

7. On March 10, 2022, the Court issued the Approval and Vesting Order and the Claims Process Order, copies of which are attached as **Appendix “D”** and **Appendix “E”**, respectively. The Transaction closed on March 24, 2022.

8. The Application Record, related motion records and Court Orders, along with all other publicly available information in these proceedings, have been posted to the Receiver’s website (the “**Receiver’s Website**”), accessible at: <https://mnpdebt.ca/en/corporate/corporate-engagements/2738283-ontario-inc-et-al>.

## **PURPOSE OF THIS REPORT**

9. The purpose of this second report of the Receiver (the “**Second Report**”) is to:
- (a) report on the Receiver’s activities since the issuance of the First Report;
  - (b) provide this Court with the evidentiary basis to make an order, among other things:
    - (i) approving a distribution to Maria Larsen with respect to her secured claim against the Debtors;

- (ii) approving payment of certain Proven Claims (as defined in the Claims Process Order) filed with the Receiver pursuant to the Claims Process Order;
  - (iii) approving the appointment of Megan Keenberg, C.S., Q. Arb., Q. Med, as Claims Officer (as defined in the Claims Process Order), if necessary, to adjudicate the Disputed Claims (as defined below);
  - (iv) approving the Receiver’s Interim Statement of Receipts and Disbursements as at June 20, 2022 (the “**Interim SRD**”);
  - (v) approving an interim distribution to 7 Generations in respect of the equity proceeds of the Transaction, subject to applicable reserves described below;
  - (vi) approving the Second Report and the actions of the Receiver described herein; and
  - (vii) approving the fees and disbursements of the Receiver and the Receiver’s counsel, Thornton Grout Finnigan LLP (“**TGF**”); and
- (c) the Receiver recommendations with respect to the foregoing.

## **TERMS OF REFERENCE**

10. In preparing this Second Report, the Receiver has relied on unaudited financial and other information regarding the Debtors, 7 Generations and the Real Property provided to it, including information (collectively the “**Information**”):
- (a) provided by Blake Larsen;
  - (b) provided by the unsecured creditor claimants (the “**Claimants**”)
  - (c) provided by Canada Revenue Agency (“**CRA**”);
  - (d) provided by Maria Larsen and her counsel; and

(e) as otherwise available to the Receiver and its counsel.

11. Except as described in this Second Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.
12. All currency references are in Canadian Dollars unless otherwise specified.

## **ACTIVITIES OF THE RECEIVER SINCE THE FIRST REPORT**

### *Closing of the Transaction*

13. Shortly after the date of the Approval and Vesting Order, the Receiver became aware of a Bare Trust Agreement dated May 13, 2020 (the “**Bare Trust Agreement**”) between the Debtors and 7 Generations. The Bare Trust Agreement provides that the Debtors agreed to hold the Real Property in trust as bare trustee for the beneficial interest of 7 Generations, as beneficial owner. The Bare Trust Agreement had been executed by Blake Larsen on behalf of all parties thereto. A copy of the Bare Trust Agreement is attached hereto as **Appendix “F”**.
14. Blake Larsen’s failure to previously disclose the existence of the Bare Trust Agreement to the Receiver necessitated changes to the Transaction closing documents, including the execution of a Beneficial Transfer by 7 Generations wherein it, among other things, acknowledged and agreed that notwithstanding the Bare Trust Agreement, 7 Generations’ beneficial interest in the Real Property was intended to be conveyed to the Purchaser pursuant to the Purchase Agreement and the Approval and Vesting Order. As detailed below, the existence of the Bare Trust Agreement also results in 7 Generations, and not the Receiver, being required to report the net proceeds realized from the Transaction to CRA as part of its corporate tax filing.
15. On March 17, 2022, at the request of the Purchaser, the Receiver entered into an amendment to the Purchase Agreement to extend the closing date under the Purchase Agreement. In consideration of the closing delay, the Purchaser paid an additional \$14,520 to compensate



the Receiver for additional interest on the charges against the Real Property and operating costs, plus an extension fee. On March 24, 2022, the Transaction closed and total sale proceeds received by the Receiver under the Transaction were \$29,224,520.

16. Upon closing of the Transaction, the Receiver arranged for the cancellation of the insurance policies and utility accounts in respect of the Real Property and repaid its borrowings to 683728 Ontario Ltd.

## **SECURED CREDITORS**

17. As part of the First Report, the Receiver detailed its investigation in respect of the secured charges on the Real Property and the claimed indebtedness of the various secured creditors (collectively, the “**Secured Creditors**”). The Approval and Vesting Order approved certain distributions to the Secured Creditors upon the Receiver receiving satisfactory payout statements, in the Receiver’s sole discretion.
18. Since the Approval and Vesting Order was granted and the Transaction closed, the Receiver paid the claims of the Secured Creditors (with the exception of Maria Larsen, as discussed further in this Second Report) in the total aggregate amount of \$18,144,363.21 (which, in some cases, reflected adjustments to include, among other things, additional interest accruing subsequent to the date of the Approval and Vesting Order). The Receiver also satisfied payment of the outstanding municipal taxes on the Real Property.
19. At the time of writing the First Report, the amounts that remained in dispute or requiring further support were (i) \$32,000 claimed by RPN Finance Corp. and 1938272 Ontario Inc. (collectively “**RPN**”) and (ii) \$243,856 claimed by Maria Larsen. The following provides an update on those disputed claims.

### ***RPN***

20. As noted above, the Receiver requested additional information to support \$32,000 reflected on the payout statement provided to it by RPN, including a \$14,000 “term bonus” and a \$18,000 renewal fee. RPN subsequently provided the documentation in support of the amounts claimed

that permitted the Receiver to fully confirm and satisfy RPN's secured claim against the Real Property.

***Maria Larsen Security***

21. As detailed in the First Report, the Receiver reported that Maria Larsen had registered a charge against the Real Property in the amount of \$2.5 million (the "**Larsen Charge**") and that Maria Larsen advised the Receiver that \$243,856 was outstanding under the Larsen Charge. The Receiver had yet to obtain sufficient documentation from Maria Larsen to support the Larsen Charge or a discharge statement, but did obtain relief in the Approval and Vesting Order to distribute amounts to Maria Larsen in satisfaction of the Larsen Charge, once a satisfactory payout statement was received.
22. Subsequent to the granting of the Approval and Vesting Order, Blake Larsen, on behalf of Maria Larsen, advised the Receiver that the total advances owing under the Larsen Charge were \$2,543,856 (which is more than the amounts previously reported by the Receiver to the Court in the First Report). Further, the Receiver, TGF and TGF's real estate counsel, Wildeboer Dellelce LLP ("**Wildeboer**"), requested and obtained from Maria Larsen and her counsel further evidence to support the advances made to the Debtors under a syndicated loan facility.
23. Upon receiving this information, TGF and Wildeboer undertook a thorough review of the various advances, flow of funds and the related security documentation. After review of all documentation provided by Ms. Larsen and her counsel, Wildeboer issued a letter to the Receiver dated May 30, 2022, which summarized its findings, a copy of which is attached hereto as **Appendix "G"**. Wildeboer concluded that, subject to certain inconsistencies within the documents, the documents appear to reflect an unsecured loan or equitable mortgage supported by future security that was subsequently granted.
24. Given the significant difference in the amount previously reported to the Court and the amount actually claimed by Maria Larsen under the Larsen Charge, the Receiver was not prepared to issue a distribution to Maria Larsen without a further report to the Court. The Receiver notes that it is still awaiting a payout statement with respect to the outstanding balance owed to Maria Larsen, but is prepared to recommend a distribution to Maria Larsen in the amount of \$2.5

million plus applicable interest charges, subject to receiving a payout statement satisfactory to the Receiver in its sole discretion.

## **CLAIMS PROCESS**

25. Unless otherwise defined in this section, capitalized terms shall have the meaning ascribed to them pursuant to the Claims Process Order.
26. In accordance with the Claims Process Order, the Receiver:
  - (a) on March 15, 2022, mailed a copy of the Claims Package to all known creditors of the Debtors and 7 Generations with respect to the Real Property. A copy of the affidavit of mailing is attached hereto as **Appendix “H”**;
  - (b) published its Notice to Claimants in the *Globe and Mail* newspaper on March 16, 2022. A copy of that published notice is attached hereto as **Appendix “I”**;
  - (c) on March 14, 2022, posted a copy of the Claims Process Order and the Claims Package on the Receiver’s Website; and
  - (d) promptly responded to all inquiries relating to the Claims Process.
27. By the Claims Bar Date of 5:00 p.m. on April 29, 2022, the Receiver had received Claims from fifteen (15) Claimants, including a Claim filed by Ms. Larsen in an abundance of caution in case her secured claim was denied. One Claim has since been withdrawn by the applicable Claimant.
28. As authorized by the Claims Process Order, the Receiver entered into a Non-Disclosure Agreement with Blake Larsen and provided him, shortly after the Claims Bar Date, with copies of all Proofs of Claims received and also consulted with Blake Larsen and his counsel in respect of certain Proofs of Claims. In accordance with the Claims Process Order, prior to accepting a Claim in excess of \$20,000, the Receiver is required to provide a copy of the respective Proof of Claim to Blake Larsen, who is then entitled to issue a written objection to the Receiver’s acceptance of the claim, which objection is required to be delivered to the Receiver by no later than fourteen (14) calendar days after receipt of the

Proof of Claim by Blake Larsen. If Blake Larsen does not object to the Claim by such date, the Receiver is authorized to proceed with its acceptance of the Claim.

29. Several of the Claims filed by Claimants were based on verbal agreements, and accordingly, these Claimants were unable to furnish the Receiver with definitive evidence of their Claims. This complicated the determination of those Claims, necessitating the Receiver and its counsel to spend additional time engaging in discussions with 7 Generations and Blake Larsen and their counsel, Tony Guergis (the Debtor’s former Director of Planning) and the applicable Claimants. In evaluating the Claims, the Receiver also considered the accounts payable listing previously provided to it by 7 Generations.
30. After carrying out the foregoing review and investigations, the Receiver recommends the approval by the Court for payment of the following Proven Claims, all of which are agreed by Blake Larsen:

<b>Claimant</b>		
2603011 Ontario Inc.	\$	50,850.00
Barriston Law		22,765.35 Note 1
BMG Glass & Aluminum Inc.		13,373.55
Colliers Strategy and Consulting Inc.		60,992.87
John DaRe Barrister and Solicitor		164,650.21
MNP LLP		6,830.79
Royal LePage First Contact Realty (Todd Guergis)		19,775.00
Tatham Engineering Limited		192,467.75 Note 1
WSP Canada Inc.		7,107.04
Zeidler Architecture Inc.		16,159.01
	<u>\$</u>	<u>554,971.57</u>

Note 1: Claims will be subject to additional interest charges to date of payment

31. The Receiver has not made a determination in respect of the following Claims, each of which is disputed by Blake Larsen (collectively, the “**Disputed Claims**”):

Homestore Direct Inc. o/a Rockwood Kitchens	\$	72,991.49
Morris Group Financial, Inc.		633,750.00
Tony Guergis		2,599,000.00
	<u>\$</u>	<u>3,305,741.49</u>

32. The Receiver is continuing its review of the Disputed Claims and is engaging in efforts to attempt to resolve them. With respect to each of the Disputed Claims, the Receiver notes the following:
- (a) **Homestore Direct Inc. o/a Rockwood Kitchens** – The Claimant does not have a written contract governing its provision of goods and services relating to its Claim. Settlement discussions in respect of this Disputed Claim are ongoing. In the event that a settlement is not reached, the Receiver intends to issue a Notice of Revision or Disallowance in respect of this Disputed Claim;
  - (b) **Morris Group Financial Inc. (“Morris”)** – Prior to the commencement of the receivership, Morris had issued a statement of claim for breach of contract and liquidated damages in the amount of \$633,750 against the Debtors, Blake Larsen and other entities related to Mr. Larsen. A statement of defense had also been issued. Mr. Larsen disputes any amount owing. Blake Larsen’s counsel recently provided the Receiver and its counsel with additional information relating to this matter, which it continues to review; and
  - (c) **Tony Guergis** – The Claimant has asserted a Claim for amounts owing for consulting services rendered, however, has not produced sufficient documentation to support the full amount of the Claim. Settlement discussions in respect of this Disputed Claim are ongoing. In the event that a settlement is not reached, the Receiver intends to issue a Notice of Revision or Disallowance in respect of this Disputed Claim.
33. The Receiver is also seeking authority to pay any of the Disputed Claims to the extent that any Disputed Claim subsequently becomes a Proven Claim in accordance with the Claim Process Order.
34. The Receiver has selected Megan Keenberg, C.S., Q. Arb., Q. Med, of Van Kralingen & Keenberg LLP as its Claims Officer. Ms. Keenberg has several years of commercial litigation experience and is a qualified arbitrator and mediator. Further details on her experience can be found at <http://vklaw.ca/profiles/#megan>. Ms. Keenberg acts as co-

counsel to TGF in respect of a separate ongoing litigation matter. Subject to any of the Claimants identified above objecting to the appointment of Ms. Keenberg, the Receiver intends to engage Ms. Keenberg to adjudicate the remaining Claims, as needed.

### *Canada Revenue Agency*

35. In the First Report, prior to learning of the Bare Trust Agreement, the Receiver reported that the completion of the Transaction will likely result in taxable income to the Debtors for the 2022 fiscal year, which would represent an additional unsecured claim. The Claims Process Order excluded any assessment arising from the filing of the corporate tax returns filed with CRA in relation to the disposition of the Real Property.
36. Given the existence of the Bare Trust Agreement and further to the Receiver's discussions with Blake Larsen, it was agreed by the parties that reporting the Transaction for tax purposes is properly done by and is the responsibility of 7 Generations rather than the Debtors.
37. The Receiver filed the Debtors' outstanding corporate tax returns for the years ending December 31, 2020 and December 31, 2021, each of which has been assessed a Nil balance.
38. Furthermore, as a result of the Bare Trust Agreement, it was also agreed with Blake Larsen that all harmonized sales taxes ("HST") on expenses shall be claimed by 7 Generations and that all HST collected during the receivership will be remitted by the Receiver to CRA. The Debtors are annual HST filers and the total HST collections of \$958.38 will be remitted in due course by the Receiver.

### **FEES AND DISBURSEMENTS**

39. Attached hereto as **Appendix "J"** is the Fee Affidavit of Deborah Hornbostel, sworn June 22, 2022, which attaches a copy of the Receiver's accounts pertaining to the receivership for the period February 23, 2022 to and including June 17, 2022.<sup>1</sup> In total, the Receiver

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<sup>1</sup> The Receiver's fees and expenses for the period prior to February 23, 2022 were approved pursuant to the Approval and Vesting Order.

charged professional fees during this period in the amount of \$144,724, plus HST in the amount of \$18,816.46. This represents a total of 237.9 hours at an average rate of \$608.42 per hour.

40. Attached hereto as **Appendix “K”** is the Fee Affidavit of Robert Thornton, sworn June 22, 2022, which attaches a copy of the accounts of TGF, which reflects the services provided to the Receiver for the period March 1, 2022 to and including June 17, 2022<sup>2</sup> in the amount of \$100,622.50 plus disbursements of \$36,118.71 and HST in the amount of \$17,733.73 for a total of \$154,474.94. The disbursements include an invoice provided to TGF from Wildeboer, its real estate counsel, in the amount of \$34,962.86.
41. The Receiver has reviewed the accounts of TGF and given the Receiver’s involvement in this matter, the Receiver is of the opinion that all the work set out in TGF’s accounts was carried out and was necessary. The hourly rates of the lawyers and clerks at TGF who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers and clerks with the appropriate levels of experience.

#### **RECEIVER’S STATEMENT OF RECEIPTS AND DISBURSEMENTS**

42. Attached hereto as **Appendix “L”** is a copy of the Interim SRD indicating net receipts of \$10,160,400.82. The Receiver is seeking approval of the Interim SRD.

#### **INTERIM DISTRIBUTION TO BENEFICIAL OWNER**

43. As noted above, the Receiver has determined that there are funds available for the equity participants.
44. Pursuant to the Bare Trust Agreement, 7 Generations is the Beneficial Owner of the Real Property and the Debtors held the Real Property for the Beneficial Owner without any obligations, except to convey title to the Real Property upon demand to the Beneficial Owner or to a third party. The Debtors, as bare trustees, simply held legal title to the Real Property. The Bare Trust Agreement provides that the Debtors, as trustees, declare that all

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<sup>2</sup> TGF’s fees and expenses for the period prior to March 1, 2022 were approved pursuant to the Approval and Vesting Order.

of the income and proceeds derived from the Real Property or any part thereof shall be held in trust by them for the Beneficial Owner. All expenditures incurred in respect of the Real Property shall be borne entirely by the Beneficial Owner.<sup>3</sup>

45. Accordingly, it is the Receiver’s position that the equity proceeds of the Transaction be remitted to 7 Generations in its capacity as the Beneficial Owner, subject to (i) payment of the Proven Claims set out in paragraph 30 of this Second Report, (ii) accrued and outstanding professional fees; and (iii) reserves for (A) the full amount of the Disputed Claims, in the event that any of the Disputed Claims subsequently is determined to be a Proven Claim in accordance with the Claims Process Order (the “**Disputed Claims Reserve**”), and (B) payment of professional fees to be incurred in connection with the adjudication of the Disputed Claims (including in respect of fees of the Claims Officer, if applicable) and the final administration of the receivership proceeding (the “**Professional Fee Reserve**”), which such Professional Fee Reserve is based on a conservative estimate of all potential fees that may be incurred until the discharge of the Receiver. The excess funds currently available for distribution to 7 Generations in respect of its equity interest in the Real Property is defined herein as the “**Excess Funds**”.

46. The following table summarizes the Receiver’s calculation of the Excess Funds:

<b>Funds on Hand</b>	\$ 10,160,400
<b>Fund Reservations:</b>	
Disputed Claims Reserve	\$ 3,305,741
Maria Larsen secured claim (estimated payout)	2,615,000
Professional Fee Reserve	500,000
Proven Claims to date	554,972
Outstanding balance payable on professional fees to June 17, 2022	132,412
Approximate Additional Interest	6,000
	7,114,125
<b>Excess Funds</b>	<b>\$ 3,046,275</b>

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<sup>3</sup> The Receiver notes that the Management Agreement provides that the Debtors and 7 Generations, which are collectively defined as the “Owners” therein, are entitled to an equal share of the lands absent an agreement to the contrary. Given the terms of the Bare Trust Agreement, the best view is that 7 Generations is entitled to any equity proceeds as a result of the sale of the Real Property.



47. To the extent that funds in the Disputed Claims Reserve (after determination or revision of, and subsequent payment to, the respective Disputed Claims) and Professional Fee Reserve become available for distribution, in the Receiver's sole discretion, the Receiver intends to remit such amounts to 7 Generations.
48. The Receiver, as the legal representative of the Debtors, would typically require a clearance certificate or comfort letter from CRA before distributing assets. Given the existence of the Bare Trust Agreement, more particularly that the proceeds derived from the Real Property is held in trust by the Debtors' for the Beneficial Owner, it is the Receiver's view that a clearance or comfort letter is not required in order for funds to be distributed to 7 Generations. The Receiver intends on serving CRA, via the Department of Justice, with notice of its motion.
49. Given the foregoing, the Receiver recommends an interim distribution to 7 Generation in the amount of the Excess Funds.

## **RECOMMENDATION**

50. For the reasons discussed in this Second Report, the Receiver recommends that the Court grant an Order approving (i) the Receiver's proposed interim distributions, subject to the applicable reserves established, (ii) the appointment of Ms. Keenberg as Claims Officer; (iii) the Interim SRD; (iv) the fees and disbursements of the Receiver and its counsel, TGF, and (v) the Second Report and the activities described herein.

The Receiver respectfully submits to the Court this Second Report dated June 24<sup>th</sup>, 2022.

**MNP Ltd, in its capacity as the  
Court-appointed Receiver of  
2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.,  
and not in its personal or corporate capacity**

Per:  \_\_\_\_\_

Sheldon Title CPA, CA, CIRP, LIT

Senior Vice President

## **Appendix “D”**



Electronically issued : 10-Mar-2022  
Délivré par voie électronique : 10-Mar-2022  
Toronto

Court File No. CV-21-00670723-00CL

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

THE HONOURABLE MR. ) THURSDAY, THE 10TH  
JUSTICE PENNY ) DAY OF MARCH, 2022  
)

B E T W E E N:

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC**

Applicants

-AND-

**2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended**

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by MNP Ltd., in its capacity as the Court-appointed receiver of the Respondents (in such capacity, the “**Receiver**”) for an order, *inter alia*: (i) approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Purchase Agreement**”) between the Receiver and 2771280 Ontario Inc. d/b/a Ark Capital Group, as assigned to Essa Rd Development Ltd. (the “**Purchaser**”) dated February 4, 2022, appended to the First Report of the Receiver dated March 3, 2022 (the “**First Report**”), and vesting in the Purchaser all of the Respondents’ right, title and interest in the Purchased Assets (as defined

below); (ii) authorizing the distribution of certain proceeds of sale from the Transaction, as described below; (iii) sealing the confidential appendices attached to the First Report; and (iv) approving the First Report and the activities of the Receiver described therein and the fees of the Receiver and its counsel, was heard this day by Zoom judicial video conference due to the COVID-19 pandemic.

**ON READING** the First Report and the Appendices thereto, the Fee Affidavit of Deborah Hornbostel sworn February 24, 2022 (the “**Hornbostel Affidavit**”), the Fee Affidavit of Robert Thornton sworn March 3, 2022 (the “**Thornton Affidavit**”) and such further materials as counsel may advise, and on hearing submissions from counsel to the Receiver, counsel to the Purchaser, and counsel to those parties listed on the counsel list for today’s hearing, and no one else appearing for any other interested person, although duly served as evidenced by the Affidavit of Service of Rachel Nicholson sworn March 4, 2022, filed.

## **SERVICE**

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 capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the First Report.

## **APPROVAL OF TRANSACTION**

3. **THIS COURT ORDERS AND DECLARES** that the Purchase Agreement and the Transaction be and are hereby approved and that the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver, with the written consent of the Purchaser, may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser, substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Respondents' right, title and interest in and to the real property described in Schedule "B" hereto (together with all buildings thereon, improvements, and chattels situate therein, the "**Purchased Assets**") shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of Justice Penny dated November 9, 2021; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Construction Act* (Ontario), the *Execution Act* (Ontario) or any other personal property registry system; (iii) those Claims listed on Schedule "C" hereto; and (iv) any Claims registered against the Purchased Assets from the date of this Order until the closing date of the Transaction (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" hereto). For greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon the registration in the Land Registry Office #51 for the Land Titles Division of Simcoe ("**Land Registry Office**") of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, or, if acceptable to the Land Registry Office, upon presentation of a copy of this Order and the Receiver's Certificate, the Land Registrar is hereby directed to enter the Purchaser as the owner of the Purchased Assets identified in Schedule "B" hereto in fee simple, and is hereby directed to discharge, release, delete and expunge from title to the Purchased Assets all of the Claims and Encumbrances, including those listed in Schedule "C" hereto (except, for greater certainty, the Permitted Encumbrances listed on Schedule "D" hereto).

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims and Encumbrances, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court with a copy of the Receiver's Certificate forthwith after delivery thereof.

8. **THIS COURT ORDERS** that this Order may be registered on title to the Purchased Assets, separately from the Application for Vesting order, by way of an Application to Register Court Order or an Application to Amend Based on Court Order, if required by the Land Registrar.

9. **THIS COURT ORDERS** that this Order, and any related Application, Notice or other registration, shall be deleted from title to the Purchased Assets after the Purchased Assets are transferred by the Purchaser, to a third party without further application to this Court, and that the Land Registry Office is hereby authorized to delete this Order or any related Application, Notice or other registration from title to the Purchased Assets.

10. **THIS COURT ORDERS** that, notwithstanding:

- a. the pendency of these proceedings;
- b. any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of any of the Respondents and any bankruptcy order issued pursuant to any such applications; and
- c. any assignment in bankruptcy made in respect of any of the Respondents;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Respondents and shall not be void or voidable by creditors of the Respondents, nor shall it constitute nor be deemed to be a

fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

### **SEALING**

11. **THIS COURT ORDERS** that Confidential Appendices “1”, “2”, “3” and “4”, being, respectively, (i) the unredacted ReMax Listing Agreement, (ii) an unredacted summary of the Listing Proposals received from the Brokers, (iii) a summary of the offers received by the bidders in the Sale Process, and (iv) the unredacted Purchase Agreement, are hereby sealed pending closing of the Transaction and further order of the Court, and shall not form part of the public record.

### **DISTRIBUTIONS**

12. **THIS COURT ORDERS** that, upon the Receiver receiving satisfactory payout statements, in the Receiver’s sole discretion, the Receiver is authorized and directed to make the following distributions from the sale proceeds arising from the sale of the Purchased Assets:

- (a) first, repayment of the Receiver’s Borrowing from 683728 Ontario Ltd. in the amount of \$13,500;
- (b) second, the outstanding indebtedness owing to the City of Barrie by the Respondents in respect of property tax arrears in relation to the Purchased Assets;
- (c) third, the outstanding indebtedness owed by the Respondents to PS Holdings 1 LLC, PS Holdings 2 LLC and PS Holdings 3 LLC, in satisfaction in full of their secured claim against the Purchased Assets;
- (d) fourth, the outstanding indebtedness owed by the Respondents to RPN Finance Corp. and 1938272 Ontario Ltd., in satisfaction in full of its secured claim against the Purchased Assets;



- (e) fifth, the outstanding indebtedness owed by the Respondents to Computershare Trust Company of Canada, in satisfaction in full of its secured claim against the Purchased Assets;
- (f) sixth, with respect to the real property municipally known as 674 Essa Road, Barrie, Ontario (the “**Essa Property**”) owned by 2738285 Ontario Inc., the outstanding indebtedness owed by 2738285 Ontario Inc. to SVN Architects + Planners Inc., in satisfaction in full of its secured claim against the Essa Property;
- (g) seventh, the outstanding indebtedness owed by the Respondents to John DaRe, in satisfaction in full of his secured claim against the Purchased Assets;
- (h) eighth, the outstanding indebtedness owed by the Respondents to Maria Louise Larsen, in satisfaction in full of her secured claim against the Purchased Assets; and
- (i) ninth, the outstanding indebtedness owed by the Respondents to Glen Schnarr & Associates Inc. in satisfaction in full of its construction lien claim against the Purchased Assets.

#### **APPROVAL OF ACTIVITIES AND FEES OF THE RECEIVER**

13. **THIS COURT ORDERS** that the First Report and the activities, decisions and conduct of the Receiver as set out in the First Report are hereby authorized and approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

14. **THIS COURT ORDERS** that the Receiver’s statement of interim receipts and disbursements for the period November 9, 2021 to February 28, 2022, as set out in the First Report and attached as Appendix “H” to the First Report, is hereby approved.

15. **THIS COURT ORDERS** that the professional fees of the Receiver for the period between October 12, 2021 to February 24, 2022, in the amount of \$150,029.10, plus Harmonized Sales Tax (“**HST**”) of \$19,503.78 as further set out in the First Report and the Hornbostel Affidavit attached as Appendix “I” to the First Report, are hereby approved.

16. **THIS COURT ORDERS** that the professional fees of Thornton Grout Finnigan LLP, counsel to the Receiver, for the period between October 12, 2021, to February 28, 2022, in the amount of \$63,772.50, plus disbursements of \$8,223.85 and HST of \$9,334.81, for a total of \$81,331.16, as further set out in the First Report and the Thornton Affidavit attached as Appendix “J” to the First Report, are hereby approved.

#### **GENERAL**

17. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver and its agents as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



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## Appendix “E”



SUPERIOR COURT OF JUSTICE

**COUNSEL SLIP/ENDORSEMENT**

COURT FILE NO.: CV-21-00670723-00CL DATE: July 6, 2022

NO. ON LIST: 3

TITLE OF PROCEEDING: **PS HOLDINGS I LLC V 2738283 ONT INC**

BEFORE JUSTICE: **Osborne, P**

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party, Crown:**

Name of Person Appearing	Name of Party	Contact Info
Rachel Nicholson	Receiver	<a href="mailto:rnicholson@tgf.ca">rnicholson@tgf.ca</a>

**For Defendant, Respondent, Responding Party, Defence:**

Name of Person Appearing	Name of Party	Contact Info
Graham Phoenix	7 Generations Development Limited	<a href="mailto:gphoenix@loonix.com">gphoenix@loonix.com</a>
Arkadi Bochelev	Tony Guergis	<a href="mailto:arkadi@bouchelevlaw.com">arkadi@bouchelevlaw.com</a>
Justin Papazian	Morris Group Financial Inc	<a href="mailto:jpapazian@phmlaw.com">jpapazian@phmlaw.com</a>

**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
Deborah Hornbostel	MNP Ltd	<a href="mailto:Deborah.hornbostel@mnp.ca">Deborah.hornbostel@mnp.ca</a>
Sheldon Title	MNP Ltd	<a href="mailto:Sheldon.title@mnp.ca">Sheldon.title@mnp.ca</a>

**ENDORSEMENT OF JUSTICE OSBORNE:**

1. The moving party, MNP Ltd. In its capacity as court-appointed receiver and manager of the Respondents, seeks an order approving:
  - a. certain distributions [in the case of the distribution to 7 Generations, on an interim basis and subject to applicable reserves];
  - b. the payment of certain Proven Claims [as defined in the materials];
  - c. the appointment of Megan Keenberg as Claims Officer;
  - d. the actions of the Receiver as set out in the Second Report dated June 24, 2022; and
  - e. the fees and disbursements of the Receiver and its counsel, TGF.
2. The relief sought by the moving party is not opposed by any of the affected stakeholders present today. Notice was given to all appropriate parties.
3. In the circumstances, and for the reasons set out in the Motion Record of the moving party and the submissions of counsel for MNP, I am satisfied that the draft order is appropriate in the circumstances.
4. I have signed the order, which is effective immediately without the necessity of issuing and entering .

Osborne, J.

## Appendix “F”



Electronically issued : 11-Mar-2022  
Délivré par voie électronique : 11-Mar-2022  
Toronto

Court File No. CV-21-00670723-00CL

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

THE HONOURABLE MR. )  
JUSTICE PENNY )  
 )  
 )  
 )

FRIDAY, THE 11TH  
DAY OF MARCH, 2022

B E T W E E N:

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC**

Applicants

-AND-

**2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284  
ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as  
amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C.  
1985, c. B-3, as amended**

**CLAIMS PROCESS ORDER**

**THIS MOTION** made by MNP Ltd., in its capacity as receiver of the Respondents (in such capacity, the “**Receiver**”) for an order approving a claims process in respect of (i) the Respondents, and (ii) 7 Generations Development Group Limited (“**7 Generations**”) solely with respect to Claims related to the Real Property, was heard this day by Zoom judicial video conference due to the COVID-19 pandemic.

**ON READING** the First Report of the Receiver dated March 3, 2022 (the “**First Report**”), and the Appendices thereto, and on hearing the submissions of counsel for the Receiver and counsel to those parties listed on the counsel slip for today’s hearing, and no one else appearing for any other interested person, although duly served as evidenced by the Affidavit of Service of Rachel Nicholson sworn March 4, 2022, filed.

## **SERVICE**

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.

## **DEFINITIONS AND INTERPRETATION**

2. **THIS COURT ORDERS** that, unless otherwise defined herein, capitalized terms used in this Order shall have the meanings ascribed to them in Schedule “A” to this Order.

3. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, 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 all references to the word “including” shall mean “including without limitation”.

5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

## **GENERAL PROVISIONS**

6. **THIS COURT ORDERS** that the Receiver is hereby authorized to use its reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to the completion and execution of such forms, or request any further documentation from a Person that



the Receiver may require in order to enable the Receiver to determine the validity or quantum of a Claim.

7. **THIS COURT ORDERS** that if any Claim arose in a currency other than Canadian Dollars, then the Person making the Claim shall complete its Proof of Claim and indicate the amount of the Claim in such currency, rather than in Canadian Dollars or any other currency. Where no currency is indicated, the Claim shall be presumed to be in Canadian Dollars. The Receiver shall subsequently calculate the amount of such Claim in Canadian Dollars, using the Bank of Canada Canadian Dollar Daily Exchange Rate on the date of the Receivership Order.

8. **THIS COURT ORDERS** that the form and substance of each of the Notice to Claimants, Proof of Claim, Notice of Revision or Disallowance and Dispute Notice, substantially in the forms attached as Schedules “B”, “C”, “D” and “E”, respectively, to this Order are hereby approved. Notwithstanding the foregoing, the Receiver may from time to time make changes to such forms as the Receiver considers necessary or advisable.

#### **RECEIVER’S ROLE**

9. **THIS COURT ORDERS** that the Receiver, in addition to its prescribed rights, duties, responsibilities and obligations under the Receivership Order, shall take all actions and fulfill any other roles as are authorized by this Order or incidental thereto, including the determination of Claims and referral of any Claim to the Court or a Claims Officer, as herein provided.

10. **THIS COURT ORDERS** that: (i) in carrying out the terms of this Order, the Receiver shall have all of the protections given to it by the Receivership Order and this Order, (ii) the Receiver shall incur no liability or obligation as a result of carrying out the provisions of this Order, except for claims for gross negligence or wilful misconduct, (iii) the Receiver shall be entitled to rely on the books and records of the Respondents, all without further independent investigation, (iv) 7 Generations shall provide unfettered access to its books and records to the Receiver, at the Receiver’s request, in order for the Receiver to assess and consider any 7 Generations Claim asserted in a Proof of Claim and the Receiver shall be entitled to rely on such books and records of 7 Generations, all without further independent investigation; (v) Blake Larsen and 7 Generations shall consult with the Receiver, at the Receiver’s request, in respect of any Claims asserted in a

Proof of Claim and the Receiver shall be entitled to rely on such discussions and information provided to the Receiver, all without further independent investigation, and (vi) the Receiver shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information or in any information provided by any Claimant, except for claims based for gross negligence or wilful misconduct.

## **NOTICE TO CLAIMANTS**

11. **THIS COURT ORDERS** that:

- (a) the Receiver shall, no later than five (5) Business Days following the date of granting this Order, post a copy of this Order, the Notice to Claimants, and a blank proof of claim form (the “**Claims Package**”) on the Receiver’s Website;
- (b) the Receiver shall, no later than five (5) Business Days following the date of granting this Order, send a copy of the Claims Package to all known creditors of the Respondents and 7 Generations;
- (c) as soon as practicable after the granting of this Order, the Receiver shall, for one business day, publish the Notice to Claimants in the *Globe and Mail*; and
- (d) the Receiver shall deliver, as soon as reasonably practicable following a request, a Claims Package to any Person claiming to be a creditor of any of the Respondents or 7 Generations (solely with respect to the Real Property), provided such request is received before the Claims Bar Date.

12. **THIS COURT ORDERS** that, except as specifically provided for in this Order, the Receiver is not under any obligation to provide notice of this Order to any Person having or asserting a Claim, and all Persons shall be bound by the Claims Bar Date, this Order, and any notices published pursuant to paragraphs 11(a) and (b) of this Order, regardless of whether or not they received actual notice, and any steps taken in respect of any Claim, in accordance with this Order.

13. **THIS COURT ORDERS** that neither: (i) the reference to a purported Claim as a “Claim” or a purported Claimant as a “Claimant” in this Order, nor (ii) the delivery of a Proof of Claim by the Receiver to a Person shall constitute an admission by the Receiver, the Respondents or 7 Generations of any obligation of the Respondents or 7 Generations, as applicable, to any Person.

#### **PROOFS OF CLAIM**

14. **THIS COURT ORDERS** that any Claimant that intends to assert a Claim shall file a Proof of Claim, together with any supporting documentation, with the Receiver by email, prepaid ordinary mail, courier, or personal delivery on or before the Claims Bar Date. For the avoidance of doubt, the Proof of Claim must be filed with the Receiver by every Claimant, regardless of whether or not a legal proceeding in respect of such Claim has been previously commenced. The Receiver shall be authorized to provide a list of the Claimants that have filed a Proof of Claim to Blake Larsen and 7 Generations, along with the quantum of such Claimant’s Claim(s), and, upon request and execution of any applicable confidentiality agreement, provide a copy of any Proofs of Claim filed to Blake Larsen and 7 Generations.

#### **CLAIMS BAR DATE**

15. **THIS COURT ORDERS** that, subject to further order of this Court, any Claimant who does not deliver a Proof of Claim, together with supporting documentation, on or before the Claims Bar Date: (a) shall be and is hereby forever barred from making or enforcing such Claim, and all such Claims shall be forever extinguished, (b) shall not be entitled to receive any distribution pursuant to the Claims Process or further Order of this Court, and (c) shall not be entitled to any further notice in the Claims Process, and shall not be entitled to participate as a Claimant in respect of such Claim.

16. **THIS COURT ORDERS** that, subject to further order of the Court, the Claims Bar Date shall be 5:00 p.m. (Toronto time) on April 29, 2022.

17. **THIS COURT ORDERS** that each Person required by this Order to file a Proof of Claim shall include any and all Claims it asserts against any of the Respondents and/or 7 Generations in a single Proof of Claim.

## DETERMINATION OF CLAIMS

18. **THIS COURT ORDERS** that, subject to the terms of this Order, the Receiver shall review all Proof of Claims filed on or before the Claims Bar Date and may accept, revise, or disallow (in whole or in part) the amount, or any other aspect of, a Claim asserted in a Proof of Claim, subject to the provisions of this Order. The Receiver shall be authorized to consult with Blake Larsen in respect of any Claim(s) asserted in a Proof of Claim. At any time, the Receiver may: (i) request additional information with respect to any Claim, (ii) request that the Claimant file a revised Proof of Claim, (iii) attempt to consensually resolve the amount or any other aspect of a Claim, or (iv) revise or disallow a Claim.

19. **THIS COURT ORDERS** that, prior to accepting a Claim in excess of \$20,000, the Receiver shall first provide a copy of the Proof of Claim to Blake Larsen who shall be entitled to issue a written objection to the Receiver's acceptance of the Claim, including detailed reasons and documentary evidence supporting same (a "**Larsen Objection**"), which must be delivered to the Receiver by no later than fourteen (14) calendar days after receipt of the Proof of Claim by Blake Larsen. In the event that a Larsen Objection is not delivered by such date, the Receiver shall be authorized to proceed with its acceptance of the Claim. In the event that a Larsen Objection is timely received by the Receiver, the Receiver shall attempt to consensually resolve the Larsen Objection, failing which, the Receiver shall be entitled to seek direction from this Court, or revise or disallow the disputed Claim.

20. **THIS COURT ORDERS** that where a Claim is revised or disallowed pursuant to paragraph 18 of this Order, the Receiver shall deliver to the Claimant a Notice of Revision or Disallowance and attach the form of Dispute Notice. The Receiver shall be authorized to send a copy of such Notice of Revision or Disallowance to Blake Larsen and 7 Generations, upon the execution of a confidentiality agreement, if applicable.

21. **THIS COURT ORDERS** that where a Claim has been accepted by the Receiver in accordance with this Order, such Claim shall constitute a Proven Claim for the purposes of the Claims Process. The acceptance of any Claim or other determination of same in accordance with

this Order, in whole or in part, shall not constitute an admission of any fact, thing, obligation, or quantum of any Claim by any Person, save and except in the context of the Claims Process.

### **DISPUTE NOTICE**

22. **THIS COURT ORDERS** that a Claimant who intends to dispute a Notice of Revision or Disallowance shall deliver a Dispute Notice to the Receiver so that it is received by the Receiver no later than fourteen (14) calendar days after such Claimant is deemed to have received the Notice of Revision or Disallowance in accordance with paragraph 33 of this Order, or such longer period as may be agreed to by the Receiver in writing. The receipt of a Dispute Notice by the Receiver within the fourteen (14) calendar day period specified in this paragraph shall constitute an application to have the amount of such Claim determined pursuant to the Claims Process provided for in this Order.

23. **THIS COURT ORDERS** that where a Claimant fails to deliver a Dispute Notice in accordance with paragraph 22 of this Order, the amount of such Claimant's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance. Such amount, if any, shall constitute such Claimant's Proven Claim, and the balance of such Claimant's Claim, if any, shall be forever barred and extinguished.

24. **THIS COURT ORDERS** that where a Claim has been revised or disallowed pursuant to paragraph 20 of this Order, the revised or disallowed Claim (or revised or disallowed portion thereof) shall not be a Proven Claim until determined otherwise in accordance with the Claims Process set out in this Order or as otherwise ordered by the Court.

### **RESOLUTION OF CLAIMS**

25. **THIS COURT ORDERS** that as soon as practicable after a Dispute Notice is received by the Receiver in accordance with this Order, the Receiver may attempt to resolve and settle a disputed Claim with the Claimant and may consult with Blake Larsen.

26. **THIS COURT ORDERS** that in the event that the Receiver is unable to consensually resolve any Dispute Notice within a reasonable time period satisfactory to the Receiver, the

Receiver shall, at its election, refer the dispute raised in the Dispute Notice to the Court or a Claims Officer for adjudication, and the Receiver shall send written notice of such referral to the Claimant.

27. **THIS COURT ORDERS** that, where a disputed Claim has been referred to a Claims Officer by the Receiver, the Claims Officer shall determine the validity and amount of such disputed Claim in accordance with this Order and shall provide written reasons. Where a disputed Claim has been referred to a Claims Officer, the Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including any participation rights for any stakeholder and the manner in which any evidence may be adduced. The Claims Officer shall have the discretion to mediate any dispute that is referred to such Claims Officer at its election. The Claims Officer shall also have the discretion to determine by whom and to what extent the costs of any hearing or mediation before a Claims Officer shall be paid. Blake Larsen and 7 Generations shall be permitted to attend and participate in the adjudication process before the Claims Officer, at its own expense.

28. **THIS COURT ORDERS** that the Receiver or the Claimant, or, with respect to a 7 Generations Claim, 7 Generations, may, within ten (10) days of such party receiving notice of a Claims Officer's determination of the amount of a Claimant's Claim or any other matter determined by the Claims Officer in accordance with this Order, appeal such determination to the Court by filing a notice of appeal, and the appeal shall be initially returnable for scheduling purposes within ten (10) days of filing such notice of appeal.

29. **THIS COURT ORDERS** that, if no party appeals any determination of any Claims Officer within the time set out in paragraph 28 above, the decision of the Claims Officer in determining the amount of the Claimant's Claim or any other matter determined by the Claims Officer in accordance with paragraph 27 shall be final and binding upon the applicable parties and there shall be no further right of appeal, review or recourse to the Court from the Claims Officer's final determination of a Claim.

#### **NOTICE OF TRANSFEREES**

30. **THIS COURT ORDERS** that the Receiver shall not be obligated to send notice to or otherwise deal with a transferee or assignee of a Claim as the Claimant in respect thereof unless

and until: (i) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Receiver, and (ii) the Receiver has acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for all purposes hereof constitute the “Claimant” in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by all notices given or steps taken in respect of such Claim, in accordance with this Order prior to the written acknowledgement by the Receiver of such transfer or assignment.

31. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim, and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to send notice to and to otherwise deal with such Claim only as a whole, and then only to and with the Person last holding such Claim in whole as the Claimant in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with this Order and the Receiver has acknowledged in writing such transfer or assignment, the Person last holding such Claim in whole as the Claimant in respect of such Claim may by notice to the Receiver, in writing, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Claimant, transferee or assignee of the Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order.

## **DIRECTIONS**

32. **THIS COURT ORDERS** that the Receiver or any other Person with an economic interest in this Claims Process may at any time, and with such notice as the Court may require, seek directions from the Court with respect to this Order and the claims process set out herein, including the forms attached as Schedules hereto.

## SERVICE AND NOTICE

33. **THIS COURT ORDERS** that the Receiver may, unless otherwise specified by this Order, serve and deliver the Claims Package, and any letters, notices or other documents to Claimants, or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons (with copies to their counsel, if applicable) at the last address shown in the books and records of the Respondents or 7 Generations, as applicable, or set out in such Person's Proof of Claim. Any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to have been received: (i) if sent by ordinary mail, on the third (3rd) Business Day after mailing within Ontario, the fifth (5th) Business Day after mailing within Canada (other than within Ontario), and the tenth (10th) 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 electronic or digital transmission 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. Notwithstanding anything to the contrary in this Order, Notices of Revision or Disallowance shall be sent only by (i) electronic or digital transmission to a fax number or email address that has been provided in writing by the Claimant, or (ii) courier.

34. **THIS COURT ORDERS** that any notice or other communication (including Proofs of Claim and Dispute Notices) to be given under this Order by any Person to the Receiver shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery or electronic or digital transmission addressed to:

MNP Ltd.  
111 Richmond Street West  
Toronto, ON, M5H 2G4

Attn: Deborah Hornbostel / Sheldon Title  
Telephone: 416-515-3885/ 416-263-6945  
Email: deborah.hornbostel@mnp.ca / sheldon.title@mnp.ca



Any such notice or other communication by a Person shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day, or if delivered outside of a normal business hours, the next Business Day.

35. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Order.

#### **MISCELLANEOUS**

36. **THIS COURT ORDERS** that notwithstanding any other provision of this Order, the solicitation of Proofs of Claim, and the filing by a Person of any Proof of Claim, shall not, for that reason only, grant any Person any standing in the Receivership Proceeding or rights to a distribution.

37. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

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

  
\_\_\_\_\_

**SCHEDULE “A”  
DEFINED TERMS**

- (a) **“7 Generations”** has the meaning set out in the recitals hereto;
- (b) **“Assessments”** means current or future claims 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 non-Canadian jurisdiction, including, without limitation, amounts which may arise or have arisen under any current or future notice of assessment, notice of objection, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority, other than any Assessments arising from the filing of corporate tax returns filed with Canada Revenue Agency in relation related to the disposition of the Real Property (such latter Assessments, the **“Real Property Disposition Assessments”**);
- (c) **“Business Day”** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
- (d) **“Claim”** means, collectively:
  - (i) any right or claim of any Person against any of the Respondents, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any such Respondent to such Person, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment (other than a Real Property Disposition Assessment), or contract, or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against any of the Respondents with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future; and
  - (ii) any right or claim of any Person against 7 Generations, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of 7 Generations to such Person, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent,

matured, unmatured, disputed, undisputed, legal, equitable, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any right or claim with respect to any Assessment, or contract, or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and any right or ability of any Person to advance a claim for contribution or indemnity or otherwise against 7 Generations with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which right or claim, including in connection with indebtedness, liability or obligation, is solely related to services conducted, work performed, or otherwise arising in respect of the Real Property (such Claim being a “**7 Generations Claim**”);

- (e) “**Claims Officer**” means an individual designated by the Receiver to adjudicate disputed Claims, if applicable;
- (f) “**Claims Process**” means the procedures outlined in this Order, including the Schedules to this Order;
- (g) “**Claims Bar Date**” means 5:00 p.m. (Toronto time) on April 29, 2022, or such later date as the Court may order or the Receiver may determine under the authority of this Order;
- (h) “**Claimant**” means any Person asserting a Claim, and includes the transferee or assignee of a Claim, transferred and recognized as a Claimant in accordance with paragraphs 30 to 31 hereof, or a trustee, executor, or other Person acting on behalf of or through such Person;
- (i) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (j) “**Dispute Notice**” means a written notice delivered to the Receiver by a Person who has received a Notice of Revision or Disallowance of that Person’s intention to dispute such Notice of Revision or Disallowance and the reasons for the dispute, substantially in the form attached as Schedule “**E**” hereto;
- (k) “**Notice of Revision or Disallowance**” means a notice informing a Claimant that the Receiver has revised or disallowed all or part of such Claimant’s Claim set out

in such Claimant's Proof of Claim, substantially in the form attached as Schedule "D" hereto;

- (l) "**Person**" is to be broadly interpreted and includes 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 the proof of claim to be completed and filed by a Claimant setting forth a Claim and which shall include all supporting documentation in respect of such Claim, substantially in the form attached as Schedule "C" hereto;
- (n) "**Proven Claim**" means the amount of a Claimant's Claim, as finally determined under the Claims Process;
- (o) "**Real Property**" shall mean, collectively:
  - (i) The real property municipally known as 320 Mapleview Drive West, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1071059 EXCEPT PT 62 PL 51R24730, PTS 1 TO 5 INCL. PL 51R31988 & PTS 2 TO 4 INCL. PL 51R34959, S/T RO1272147; BARRIE, being all of PIN 58730 - 0303 (LT);
  - (ii) The real property municipally known as 366 Mapleview Drive West / 692 Essa Road, Barrie Ontario, which is legally described as CONSOLIDATION OF VARIOUS PROPERTIES PT LT 3 CON 12 INNISFIL BEING PT 1 PL 51R32435 & PT LTS 3 & 4 CON 12 INNISFIL BEING PTS 1 & 2 PL 51R25124, EXCEPT PT 1 PL 51R33177, S/T RO990763; INNISFIL, being all of PIN 58730 - 0304 (LT);
  - (iii) The real property municipally known as 664 Essa Road, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1278789 EXCEPT PT 6 PL 51R31988; BARRIE, being all of PIN 58730 - 0240 (LT); and
  - (iv) The real property municipally known as 674 Essa Road, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN

RO1244213 EXCEPT PT 61 51R24730 AND PT 251R33177; S/T  
RO1272150; BARRIE, being all of PIN 58730 - 0297 (LT).

- (p) **“Receivership Order”** means the order of Mr. Justice Penny dated November 9, 2021, appointing the Receiver and granting the Receiver certain powers;
- (q) **“Receivership Proceeding”** means the proceeding commenced pursuant to the Receivership Order on application by certain secured creditors of the Respondents;
- (r) **“Receiver’s Website”** means <https://mnpdebt.ca/en/corporate/corporate-engagements/2738283-ontario-inc-et-al>; and
- (s) **“Respondents”** means collectively, 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.

**SCHEDULE “B”  
NOTICE TO CLAIMANTS**

Court File No. CV-21-00670723-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended**

**B E T W E E N:**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC**

Applicants

-AND-

**2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

Respondents

**RE: NOTICE OF CLAIMS PROCESS**

**PLEASE TAKE NOTICE** that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made March 10, 2022 (the “**Claims Process Order**”). If you believe you are a creditor of 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC. (collectively, the “**Respondents**”) or 7 GENERATIONS DEVELOPMENT GROUP LIMITED (“**7 Generations**”) and together with the Respondents, the “**Claim Parties**”) please continue reading this notice.

A Claims Process has been commenced pursuant to the Claims Process Order. All creditors of (i) the Respondents, or (ii) 7 Generations solely in respect of the real properties set out in Schedule “A” (collectively, the “**Real Property**”) attached hereto are required to submit a Proof of Claim to MNP Ltd., the Court-appointed receiver of the Respondents (in such capacity, the “**Receiver**”) on or before April 29, 2022.

Creditors may obtain the Claims Process Order and a Claims Package from the Receiver’s website at <https://mnpdebt.ca/en/corporate/corporate-engagements/2738283-ontario-inc-et-al> or by contacting the Receiver by telephone at 416-515-3885 or by email at [deborah.hornbostel@mnp.ca](mailto:deborah.hornbostel@mnp.ca).

If you are a creditor of any of the Claim Parties and wish to assert a claim, you are required to submit a completed Proof of Claim to the Receiver by **5:00 p.m. (Toronto Time) on April 29, 2022** (the “**Claims Bar Date**”). It is your responsibility to complete the appropriate documents and ensure that the Receiver receives your completed documents by the Claims Bar Date.

**CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.**

DATED at Toronto this \_\_\_\_ day of \_\_\_\_\_, 2022.

### Schedule "A"

- (a) The real property municipally known as 320 Mapleview Drive West, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1071059 EXCEPT PT 62 PL 51R24730, PTS 1 TO 5 INCL. PL 51R31988 & PTS 2 TO 4 INCL. PL 51R34959, S/T RO1272147; BARRIE, being all of PIN 58730 - 0303 (LT);
- (b) The real property municipally known as 366 Mapleview Drive West / 692 Essa Road, Barrie Ontario, which is legally described as CONSOLIDATION OF VARIOUS PROPERTIES PT LT 3 CON 12 INNISFIL BEING PT 1 PL 51R32435 & PT LTS 3 & 4 CON 12 INNISFIL BEING PTS 1 & 2 PL 51R25124, EXCEPT PT 1 PL 51R33177, S/T RO990763; INNISFIL, being all of PIN 58730 - 0304 (LT);
- (c) The real property municipally known as 664 Essa Road, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1278789 EXCEPT PT 6 PL 51R31988; BARRIE, being all of PIN 58730 - 0240 (LT); and
- (d) The real property municipally known as 674 Essa Road, Barrie, Ontario, which is legally described as PT LT 4 CON 12 INNISFIL AS IN RO1244213 EXCEPT PT 61 51R24730 AND PT 251R33177; S/T RO1272150; BARRIE, being all of PIN 58730 - 0297 (LT).



**SCHEDULE "C"  
PROOF OF CLAIM**

Court File No. CV-21-00670723-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended**

B E T W E E N:

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC**

Applicants

-AND-

**2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

Respondents

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**PROOF OF CLAIM**

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**1. PARTICULARS OF CLAIMANT**

(a) Full Legal Name of Claimant:

(b) Full Mailing Address of Claimant:

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(c) Telephone Number of Claimant:

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(d) Facsimile Number of Claimant: \_\_\_\_\_

(e) E-mail Address of Claimant: \_\_\_\_\_

(f) Attention (Contact Person): \_\_\_\_\_  
\_\_\_\_\_

**2. PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE:**

(a) Have you acquired this Claim by assignment? Yes  No

(if yes, attach documents evidencing assignment)

a. Full Legal Name of original creditor(s): \_\_\_\_\_

**3. PROOF OF CLAIM**

**THE UNDERSIGNED CERTIFIES AS FOLLOWS:**

All capitalized terms not otherwise defined herein have the meanings ascribed to them in the Claims Process Order granted by the Ontario Superior Court of Justice (Commercial List) on March 10, 2022 (the “**Claims Process Order**”).

That I [am a Claimant/hold the position of \_\_\_\_\_ of the Claimant] [*select applicable*] and have knowledge of all the circumstances connected with the Claim described herein;

That I have knowledge of all the circumstances connected with the Claim described and set out below;

The Respondents and/or 7 Generations Development Group Limited are indebted to the Claimant as follows:

*(When completing the Proof of Claim form, please include the exact legal name of the party that you are asserting a Claim against. Any Claims denominated in a foreign currency shall be filed in such currency and will be converted to Canadian Dollars at rates set out in the Claims Process Order.)*

	<b>2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.</b>	<b>Amount of Claim</b>
1.		\$
2.		\$
	\$	

	<b>7 Generations Development Group Limited (related to the Real Property)</b>	<b>Amount of Claim</b>
1.		\$
2.		
	\$	

**4. PARTICULARS OF CLAIM:**

The particulars of the undersigned's total Claim are attached.

*(Provide full particulars of the Claim(s) and supporting documentation, including the amount, description of transaction(s) or agreement(s) giving rise to the Claim(s), name of any guarantor(s) which has guaranteed the Claim(s), and amount of Claim(s) allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. With respect to any Claim(s) asserted against 7 Generations Development Group Limited, indicate the nature of such Claim(s) in respect of the Real Property).*

**5. FILING OF CLAIM**

**This Proof of Claim must be returned to and received by the Receiver by 5:00 p.m. (Toronto Time) on the Claims Bar Date (April 29, 2022).**

In each case, completed forms must be delivered by prepaid registered mail, courier, personal delivery, or email to the Receiver at the following address:

MNP Ltd.  
111 Richmond Street West  
Toronto, ON, M5H 2G4

LL

Attn: Deborah Hornbostel / Sheldon Title  
Telephone: 416-515-3885/ 416-263-6945  
Email: deborah.hornbostel@mnp.ca / sheldon.title@mnp.ca

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**SCHEDULE "D"**  
**NOTICE OF REVISION OR DISALLOWANCE OF CLAIM**

Court File No. CV-21-00670723-00CL

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

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended**

**B E T W E E N:**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC**

Applicants

**-AND-**

**2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

Respondents

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**NOTICE OF REVISION OR DISALLOWANCE**

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**TO:**

The Receiver has reviewed your Proof of Claim dated \_\_\_\_\_, 2022, and have revised or rejected your Claim in respect of \_\_\_\_\_ for the following reasons:

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

<b>Respondents / Party</b>	<b>Original Claim Amount</b>	<b>Disallowed Amount</b>	<b>Revised Allowed Amount</b>

If you intend to dispute this Notice of Revision or Disallowance, you must notify the Receiver of such intent by delivery to the Receiver of a Dispute Notice in accordance with the Claims Process Order, such that it is received by the Receiver by 5:00 p.m. no later than fourteen (14) calendar days after you receive such Notice of Revision or Disallowance at the following address by prepaid registered mail, courier, personal delivery, or email:

MNP Ltd.  
111 Richmond Street West  
Toronto, ON, M5H 2G4

Attn: Deborah Hornbostel / Sheldon Title  
Telephone: 416-515-3885/ 416-263-6945  
Email: deborah.hornbostel@mnp.ca / sheldon.title@mnp.ca

If you do not deliver a Dispute Notice in accordance with the Claims Process Order, the value of your Claim(s) shall be deemed to be as set out in this Notice of Revision or Disallowance.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**SCHEDULE "E"  
DISPUTE NOTICE**

Court File No. CV-21-00670723-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended**

**B E T W E E N:**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC**

Applicants

-AND-

**2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

Respondents

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**DISPUTE NOTICE**

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**1. PARTICULARS OF CLAIMANT**

(b) Full Legal Name of Claimant:

(c) Full Mailing Address of Claimant:

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(d) Telephone Number of Claimant:

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(e) Facsimile Number of Claimant:

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- (f) E-mail Address of Claimant: \_\_\_\_\_
- (g) Attention (Contact Person): \_\_\_\_\_

**2. PARTICULARS OF ORIGINAL CLAIMANT FROM WHOM YOU ACQUIRED THE CLAIM, IF APPLICABLE:**

- (h) Have you acquired this Claim by assignment? Yes  No
- (if yes, attach documents evidencing assignment)

Full Legal Name of original creditor(s): \_\_\_\_\_

**3. DISPUTE OF REVISION OR DISALLOWANCE OF CLAIM:**

*(Any Claims denominated in a foreign currency shall be filed in such currency and will be converted to Canadian dollars at the rate set out in the Claims Procedure Order.)*

We hereby disagree with the value of our Claim as set out in the Notice of Revision or Disallowance dated \_\_\_\_\_, as set out below:

<b>Party<sup>1</sup></b>	<b>Claim as Allowed or Revised per Notice of Revision or Disallowance</b>	<b>Claim per Claimant</b>
	\$	\$
	\$	\$
	<b>Total</b>	\$

*(Insert particulars of Claim per Notice of Revision or Disallowance, and the value of your Claim as asserted by the Claimant).*

\_\_\_\_\_  
<sup>1</sup> Please include the full legal name of the Respondent or 7 Generations Development Group Limited that you are asserting a Claim against.



**4. REASONS FOR DISPUTE:**

*(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, and amount of Claim allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed. The particulars provided must support the value of the Claim, as stated by you in item 2 above).*

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If you intend to dispute the Notice of Revision or Disallowance, you must notify the Receiver of such intent by delivery to the Receiver of this Dispute Notice in accordance with the Claims Process Order such that it is received by the Receiver by 5:00 p.m. no later than fourteen (14) calendar days after you receive such Notice of Revision or Disallowance at the following address by prepaid registered mail, courier, personal delivery, or email:

MNP Ltd.  
111 Richmond Street West  
Toronto, ON, M5H 2G4

Attn: Deborah Hornbostel / Sheldon Title  
Telephone: 416-515-3885/ 416-263-6945  
Email: deborah.hornbostel@mnp.ca / sheldon.title@mnp.ca

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.  
AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**CLAIMS PROCESS ORDER**

**Thornton Grout Finnigan LLP**  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver, MNP Ltd.

## Appendix "G"

### Schedule of Payments to Proven Claims

Claimant	Note	Original Claim	Settled/Paid by Receiver
2603011 Ontario Inc.		\$ 50,850.00	50,850.00
Barriston Law	1	22,765.35	24,728.13
BMG Glass & Aluminum Inc.		13,373.55	13,373.55
Colliers Strategy and Consulting Inc.		60,992.87	60,992.87
John DaRe Barrister and Solicitor		164,650.21	164,650.21
MNP LLP		6,830.79	6,830.79
Royal LePage First Contact Realty (Todd Guergis)		19,775.00	19,775.00
Tatham Engineering Limited	1	192,467.75	195,260.51
WSP Canada Inc.		7,107.04	7,107.04
Zeidler Architecture Inc.		16,159.01	16,159.01
		<u>\$ 554,971.57</u>	<u>\$ 559,727.11</u>

Note 1: These claims were subject to additional interest charges to date of payment

## Appendix “H”



Thornton Grout Finnigan LLP  
RESTRUCTURING + LITIGATION

Toronto Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto ON Canada M5K 1K7  
T 416 304 1616 F 416.304.1313

Rachel A. Nicholson  
T: 416-304-1153  
E: nicholson@tgf.ca  
File No. 1492-002

October 17, 2022

VIA EMAIL

Papazian Heisey Myers LLP  
121 King St. W. Suite 510  
Toronto, ON M5H 3T9

Loopstra Nixon LLP  
120 Adelaide St. W. Suite 1901  
Toronto, ON M5H 1T1

Attention: Justin Papazian

Attention: Graham Phoenix

Dear Sirs:

**Re: In the Receivership of 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. (collectively, the "Debtors")  
Court File No.: CV-21-00670723-00CL**

Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated November 9, 2021 (the "**Receivership Order**"), MNP Ltd. was appointed as the Receiver (in such capacity, the "**Receiver**") of those assets, properties and undertakings of the Debtors described in Schedule "A" to the Receivership Order. We are counsel to the Receiver in these proceedings. Mr. Phoenix is counsel to the Debtors in these proceedings.

We understand that Mr. Papazian is counsel to Morris Group Financial, Inc. ("**Morris Group**"), the plaintiff in the proceeding *Morris Group Financial, Inc. v 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc., Petromaxx Construction Ltd., Petromaxx Management LLP, Petromaxx Construction (ON) LLP and Blake Larsen* (Court File No. CV-20-00651075-0000) (the "**Proceeding**").

We refer to the Amended Proof of Claim filed by Morris Group against the Debtors dated August 23, 2022 in the amount of \$105,625 (the "**Claim**") pursuant to the Claims Process Order granted by the Court on March 11, 2022.

Pursuant to the Receivership Order, there is a stay of proceedings as against the Debtors. Accordingly, the Proceeding is stayed and no steps may be taken to continue the Proceeding as against the Debtors. Pursuant to section 3(i) of the Receivership Order, the Receiver is empowered and authorized, but not obligated, to defend all proceedings pending with respect to the Debtors.

You have requested that the Receiver consent to lift the stay of proceedings to permit Morris Group to continue the Proceeding in pursuit of the Claim as against the Debtors, without the involvement of the Receiver.

tgf.ca

The Receiver is prepared to consent to lift the stay of proceedings to permit your client to continue the Proceeding as against the Debtors, on the following basis:

- There will be no involvement required of the Receiver or its counsel in the Proceeding or Claim including, without limitation, that the Receiver shall not be requested or required to give evidence or produce documents or records at any time in relation to the Proceeding;
- The Debtors will separately retain litigation counsel to represent the Debtors in their defence in the Proceeding and Claim;
- The Receiver and its counsel will not incur any costs in connection with the Proceeding and Claim;
- No costs may be sought against the Receiver or its counsel in connection with the Proceeding or Claim;
- No steps whatsoever will be taken by the Receiver or its counsel in connection with the Proceeding or Claim; and
- The herein mentioned consent will act as the Receiver's resolution of the Claim filed.

Further, as agreed to by Morris Group, the Debtors, and the Receiver, upon the Receiver obtaining an order from the Court (on a *nunc pro tunc* basis) authorizing the Receiver to enter into this agreement, the Receiver will transfer \$150,000 to Mr. Phoenix, to hold in escrow (and subject to the terms of a separate escrow agreement, as applicable) pending determination of the Proceeding and the Claim which shall cover any and all costs and damages related to the Debtors' potential obligations in respect of the Proceeding and Claim, including any adverse cost award. For greater certainty, no additional amounts will be requested by Morris Group or the Debtors from the Receiver in connection with the Proceeding or Claim.

Upon receipt of a fully executed copy of this letter acknowledgement, the Receiver consents to lift the stay of proceedings to permit the Proceeding to continue as against the Debtors on the terms described herein.

Yours truly,

**Thornton Grout Finnigan LLP**



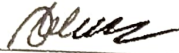
Rachel A. Nicholson

RAN/RN

cc: Sheldon Title and Deborah Hornbostel, MNP Ltd.


The parties hereto acknowledge and agree to the above terms as of the date first written above.

MNP LTD., in its capacity as Court-Appointed Receiver of 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. and not in its personal or corporate capacity


Per:   
Name: SHELDON TITLE  
Title: SENIOR VICE PRESIDENT

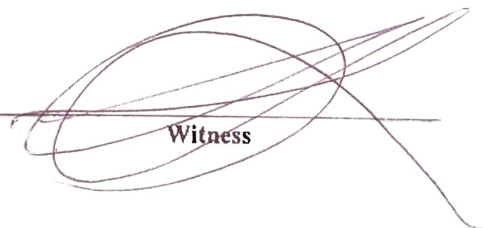
I/ We have the authority to bind the corporation.

MORRIS GROUP FINANCIAL, INC.

Per:   
Name: JUSTIN PAPANIAN  
Title: LAWYER FOR MORRIS GROUP.

I/ We have the authority to bind the corporation.

  
BLAKE LARSEN, in his personal capacity and in his capacity as director of each of the Defendants in the Proceeding.

  
Witness



## Appendix "I"



SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

COUNSEL SLIP / ENDORSEMENT

COURT FILE NO.: CV-21-00670723-00CL DATE: 20 June 2023

NO. ON LIST: 2

TITLE OF PROCEEDING: PS Holdings 1 LLC, et al. v. 2738283 Ontario Inc., et al.

BEFORE: JUSTICE OSBORNE

**PARTICIPANT INFORMATION**

**For Plaintiff, Applicant, Moving Party, Crown:**

Name of Person Appearing	Name of Party	Contact Info

**For Defendant, Respondent, Responding Party, Defence:**

Name of Person Appearing	Name of Party	Contact Info
Arkadi Bouchelev		<a href="mailto:arkadi@bouchelevlaw.com">arkadi@bouchelevlaw.com</a>

**For Other, Self-Represented:**

Name of Person Appearing	Name of Party	Contact Info
Mitch Grossell	Counsel to the Receiver	<a href="mailto:mgrossell@tgf.ca">mgrossell@tgf.ca</a>
Doug Bourassa	Counsel for Tony Guergis	<a href="mailto:dbourassa@torkinmanes.com">dbourassa@torkinmanes.com</a>

**ENDORSEMENT OF JUSTICE OSBORNE:**

1. At this case conference, the former lawyers for one of the unsecured creditors, Mr. Tony Guergis, sought to schedule a motion for a solicitors lien as against funds held by the Receiver for the benefit of their former client.
2. On the consent of all parties, this matter is adjourned to a date to be scheduled following the determination of the claim of Mr. Guergis which is now being determined by the Claims Officer.
3. The Receiver has confirmed that it will not distribute to Mr. Guergis any funds to which he may be entitled until this motion is resolved or determined.
4. As suggested by counsel for the Receiver, it likely makes good practical sense that this matter can be addressed if and as necessary (the parties will have discussions following a determination of the claim) at the same time as the discharge of the Receiver is sought, such that a separate hearing is not necessary. As noted, a hearing may never be necessary as a matter may be resolved on consent following a determination of the claim.

Osawa, J.

## Appendix “J”

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

**BETWEEN**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**AFFIDAVIT OF DEBORAH HORNBOSTEL  
(Sworn September 13, 2023)**

**I, DEBORAH HORNBOSTEL, of the City of Toronto, in the Province of Ontario, MAKE  
OATH AND SAY:**

1. I am a Senior Vice President with MNP Ltd. (“MNP”), the Court Appointed Receiver of 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. and as such have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.
2. By Order of the Honourable Justice Penny dated November 9, 2021, MNP was appointed as Receiver of the assets, undertakings and properties of the Respondents.
3. In connection with the receivership of the Respondents, the Receiver has prepared seven (7) Statements of Account in connection with its appointment as Receiver detailing its services rendered and disbursements incurred for the period June 18, 2023 to August 31, 2023, summarized below:

Date	Invoice #	Hours	Fees (\$)	Disbursements (\$)	HST (\$)	Total (\$)
August 4, 2022	10536283	52.80	35,906.40	0.00	4,667.83	40,574.23
October 17, 2022	10621770	5.20	2,416.80	0.00	314.18	2,730.98
November 15, 2022	10660267	11.00	6,338.40	0.00	823.99	7,162.39
January 13, 2023	10733734	8.70	5,600.70	0.00	728.09	6,328.79
May 2, 2023	11010647	12.80	8,395.80	0.00	1,091.45	9,487.25
July 14, 2023	1136623	18.90	12,805.60	0.00	1,664.73	14,470.33
September 11, 2023		26.30	19,102.30	0.00	2,483.30	21,585.60
<b>Total</b>		<b>135.70</b>	<b>90,566.00</b>		<b>11,773.57</b>	<b>102,339.57</b>

Attached hereto and marked as Exhibit "A" to this my Affidavit are the seven Statements of Account.

4. A total of 135.7 hours was expended at an effective hourly rate of \$667.40.
5. I verily believe that the hourly rates charged for the services performed are fair and reasonable in the circumstances.

6. I make this affidavit in support of a motion for, *inter alia*, approval of the MNP's fees incurred, as detailed herein, and for no other or improper purpose.

**SWORN** before me at the City of Toronto, in the Province of Ontario this 13<sup>th</sup> day of September, 2023.



Commissioner for Taking Affidavits

Matthew Eric Lem, a Commissioner, etc.,  
Province of Ontario, for MNP Ltd. and MNP LLP.  
Expires February 21, 2026.

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**Deborah Hornbostel CPA, CA, LIT, CIRP,  
CFE**

**Exhibit "A" of the Affidavit of  
Deborah Hornbostel  
Sworn before me on this 13<sup>th</sup> day of September, 2023**

  
**A Commissioner, Etc.**



# Invoice



Invoice Number : 10536283

Client Number : 0921591

Invoice Date : Aug 4 2022

Invoice Terms : Due Upon Receipt

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2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.  
c/o MNP LTD.  
300-111 RICHMOND STREET WEST  
TORONTO, ON M5H 2G4

## For Professional Services Rendered :

For services related in the matter of the Receiverships of 2738283, 2738284  
and 2738285 Ontario Inc, for the period from June 18, 2022 to July 31, 2022  
(detailed time descriptions attached) 35,906.40

Harmonized Sales Tax : 4,667.83

**Total (CAD) :** 40,574.23

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](http://www.MNPDebt.ca)

**DETAILED TIME CHARGES**

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
20-Jun-2022	Deborah Hornbostel	10.80	Receipt and review of emails from Tony Guergis re Dec. 2019 emails with B. Larsen, fwd. to team and then G. Phoenix, tc from J. Creighton of Rockwood, review emails from R. Nicholson re various issues and S. Title re Tatham interest charge adjustment, review and respond to email from M Hawkins of Colliers, email from G. Phoenix, subsequent call from J Creighton re settlement position, review of Wildeboer invoice, email approval, review NORD re Tatham and finalize and issue via email, review acceptance and share with team, report drafting, email to R. Nicholson re o/s payout statement for M. Larsen, further emails with B. Stanton re process, email from G. Phoenix re approved settlement offers, tc to him, emails to Todd Guergis, Tony Guerigs and Jerrold Creighton re proposed settlements, email Tatham NORD to Graham and Blake, prepare SRD and projected funds available for distribution, email drafts to S. Title for review
20-Jun-2022	Sheldon Title	1.00	email to Nicholson on Tatham interest calculation, review interest calculation, emails on preparing for court attendance; review of Hornbostel email re: additional evidence to support finder fee argument and email on my position vis-a-vis sharing info with Phoenix; further emails from Hornbostel and Phoenix on claims, exchange of emails with Hornbostel related to fee affidavit; further exchange with Nicolson on Tatham NORD
21-Jun-2022	Deborah Hornbostel	4.80	Update report and email draft to S. Title, draft affidavit of fees, review draft dockets and provide instructions to Fatemah, review amended claim from Todd Guergis and update report, review report comments from S. Title and further report drafting, reconcile WIP for affidavit, email from Tony Guergis re considering settlement offer, discussion with S. Title re report issues and interim distribution
21-Jun-2022	Sheldon Title	4.00	review/revise second report, emails to Hornbostel on same; receipt of revised report
22-Jun-2022	Deborah Hornbostel	2.40	Finalize and swear fee affidavit, review report amendments from S. Title and forward report to R. Nicholson for review, fwd fee affidavit to her for redaction review, compile appendices for report,

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			review report amendments by R. Nicholson and emails with her re same, review and comment on draft Order
22-Jun-2022	Sheldon Title	1.10	emails to/from Nicholson on report status and review of fee affidavit and comments to Hornbostel on same; review of draft order, review of Nicholson's changes to report; emails with Nicholson on same
23-Jun-2022	Deborah Hornbostel	2.80	Meeting with S.Title and R. Nicholson re report issues wrt distribution, compile report appendices for processing, fwd to R. Nicholson, calculate total o/s professional fees, review of changes to motion record, draft order and Receiver's report, review comments and questions from G. Phoenix and response from R. Nicholson, review and approve final draft report
23-Jun-2022	Fatemah Khalfan	.20	Posting done to Sitecore.
23-Jun-2022	Sheldon Title	.40	call with Nicholson and Hornbostel on finalizing order
24-Jun-2022	Deborah Hornbostel	.40	Review emails from J. DaRe and discharge statement re Maria Larsen, verify interest calculations, review emails from R. Nicholson and S. Title re same
24-Jun-2022	Fatemah Khalfan	.20	Posting done to Sitecore.
27-Jun-2022	Deborah Hornbostel	.30	Tel call to Tony Guergis re claim, review and respond to email from R. Nicholson re M. Larsen discharge stmt
28-Jun-2022	Deborah Hornbostel	1.00	Review email from Arkhadi re T. Guergis claim and respond, review and approve proposed changes to court order, review documentation from Graham and Blake re Morris Group claim, arrange mtg with TGF, review email from G. Phoenix re agreement to Rockwood settlement
28-Jun-2022	Sheldon Title	.50	call with Phoenix on Rockwood resolution/claims officer; review of revised order
29-Jun-2022	Deborah Hornbostel	.90	Email to J. Creighton to advise of settlement acceptance, provide new claim form, prepare for and attend team meeting wrt Morris claim, emails with Arkadi to f/u on mtg request re T.Guergis claim
29-Jun-2022	Sheldon Title	.40	call with Phoenix; call with Nicholson, Hornbostel on Morris claim and approach to dealing with it
30-Jun-2022	Deborah Hornbostel	.80	Attend mtg with Arkadi and Rachel re Tony Guergis claim, update to S. Title
30-Jun-2022	Sheldon Title	.10	exchange with Hornbostel on call with Guergis' lawyer
04-Jul-2022	Deborah Hornbostel	.80	Receipt and review of amended claim from Rockwood, email to J. Creighton to request amended

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			invoice for claim, forward claim to R. Nicholson and to Blake and Graham, review response from Blake, receipt of amended sales order/invoice from Rockwood for claim, review emails from R. Nicholson re fee reserve amount and her discussion with Graham, discussion with S. Title re same, provide instructions to Rachel, review her email to Arkadi re updated reserve amount
04-Jul-2022	Sheldon Title	.70	email from and call with Nicholson on calculating professional fee reserve; call with Hornbostel
05-Jul-2022	Deborah Hornbostel	.90	Review amendments to the draft order and distributions and approve, review email from R. Nicholson to G. Phoenix, review email from Arkadi re settlement offer from T. Guergis and respond to R. Nicholson, discussion with S. Title re the offer, review email from J. Papazian to R. Nicholson
05-Jul-2022	Sheldon Title	.80	review of draft order, bank position and claims reconciliation, emails to Nicholson/Hornbostel on revised "excess fund" calculation, call with Nicholson on settlement discussions/attendance at court
06-Jul-2022	Deborah Hornbostel	5.60	Attending to payments to creditors and 7 Gen including obtaining wire transfer info, termination of term deposit, calculation of distributions and re-investment instructions, preparation of documents for cheque and wire requisitions, reviewing and approving same
06-Jul-2022	Sheldon Title	1.30	attendance at court hearing (15 mins); request posting of orders to website, review/approve of a number of cheque requisitions on distributions
07-Jul-2022	Deborah Hornbostel	2.70	Prepare cover letters to claimants, verify fund balance, instructions to Chahna for revised investment amount, approve rate and investment, prepare documents for payment of TGF account, approve wire and o/s cheque requisitions, emails with John DaRe re wire transfer info for him and M.Larsen, review wires sent and reconcile account, request further wire to 7 Gen re Rockwood settlement funds, email updates to R. Nicholson re payments issued, email to B. Larsen, Tatham and Barriston to update on wire transfers, reconcile MNP account and provide instructions to Chahna for payment requisition
07-Jul-2022	Jim Guo	.20	Chahna - GIC posting
07-Jul-2022	Matthew Lem	1.70	attend 6 wires and clarification of account details.

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
07-Jul-2022	Sheldon Title	.50	call with Lem on wiring of funds to beneficiaries; further requisitions signed; review of wire transfers before being processed by Lem, call with Lem; call from TD to confirm 7 Generations transfer
08-Jul-2022	Deborah Hornbostel	.50	Review and approve disbursements, review Morris claim summary from TGF
08-Jul-2022	Matthew Lem	.10	attend to request re wire details.
11-Jul-2022	Deborah Hornbostel	.20	Review email from L. Price and make arrangements for provision of documentation
11-Jul-2022	Sheldon Title	.30	review of TGF memo on Morris claim; email to close "Assets for Sale" involvement
12-Jul-2022	Deborah Hornbostel	.20	Update from R. Nicholson re Morris claim
12-Jul-2022	Sheldon Title	.40	call with Justin Papazian, Nicholson
15-Jul-2022	Sheldon Title	.20	review of draft authorization in favour of Pearl and Purchaser, discussion with Nicholson on same
18-Jul-2022	Deborah Hornbostel	.50	Attend meeting with team and G. Phoenix re Morris claim, review email from R. Nicholson re purchaser's authorization request
18-Jul-2022	Sheldon Title	.40	call re: Morris group (Nicholson, Hornbostel, Phoenix)
19-Jul-2022	Deborah Hornbostel	.40	Updates from S. Title re purchaser's request for authorization and Blake's position and Rachel re Morris and Guergis claims, execute deposit req re filing fee refund
19-Jul-2022	Sheldon Title	.50	call from Phoenix on transfer of site plans, etc. and call afterwards with Nicholson and Hornbostel on same
20-Jul-2022	Sheldon Title	.50	emails from Thapar on authorization, review of revised authorization and provide Nicholson with comments on same, further emails as between Phoenix and Nicholson, call with Nicholson
22-Jul-2022	Deborah Hornbostel	.50	Review emails re the authorization for the purchaser, attend call re Morris claim and then Guergis claim
22-Jul-2022	Fatemah Khalfan	.20	Phone call from creditor - WSP Inc - received dividend cheque from us but cannot place client; looked up Invoice in K drive and provided Client no.
22-Jul-2022	Sheldon Title	.30	call with Justin, Graham and Rachel re: Morris claim, discussion with Graham on Guergis claim/Thapar authorization
25-Jul-2022	Sheldon Title	.10	signing and sending to Nicholson the authorization to Pearl Builders/purchaser
27-Jul-2022	Sheldon Title	.20	call with Phoenix and emails to Nicholson

**SUMMARY OF TIME CHARGES**

Professional	Title	Avg Hourly Rate	Total Hours	Amount
Sheldon Title	Senior Vice-President	\$ 690.00	13.7	\$ 9,453.00
Deborah Hornbostel	Senior Vice-President	\$ 690.00	36.5	\$25,185.00
Matthew Lem	Senior Vice-President	\$ 600.00	1.8	\$ 1,080.00
Fatemah Khalfan	Estate Administrator	\$ 243.00	0.6	\$ 145.80
Jim Guo	Accounting Administrator	\$ 213.00	0.2	\$ 42.60
TOTAL			52.8	\$35,906.40

# Invoice



**Invoice Number :** 10621770

**Client Number :** 0921591

**Invoice Date :** Oct 17 2022

**Invoice Terms :** Due Upon Receipt

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2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.  
c/o MNP LTD.  
300-111 RICHMOND STREET WEST  
TORONTO, ON M5H 2G4

## For Professional Services Rendered :

For services related in the matter of the Receiverships of 2738283, 2738284 and 2738285 Ontario Inc, for the period from August 1, 2022 to September 30, 2022. (Detailed time descriptions attached) 2,416.80

Harmonized Sales Tax : 314.18

**Total (CAD) :** 2,730.98

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](http://www.MNPDebt.ca)

## DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
04-Aug-2022	Chahna Nathwani	.30	Login to TD to reconcile the bank statement with Ascend and send a brief email to S. Title and D. Hornbostel regarding balance info and GIC Investment. Reconciled TGF legal fee account with previously paid invoices to avoid duplication of payment.
04-Aug-2022	Sheldon Title	.30	Emails with Chahna on redemption of funds; request payment of TGF invoices, email to Nicholson
08-Aug-2022	Chahna Nathwani	1.30	Email sent to L. Battista initially assisting with GIC investments. Email communication with M. Sattler regarding the redemption of GIC and deposit amount to the trust account. Posting cash-in and interest entries into Ascend. Prepared payment requisitions for receiver fees and legal fees. Sent requisitions to D. Hornbostel and S. Title for review approval. Posting payment entries into Ascend. Processing cheque in Ascend for signatures. Printing cheques, scanning, and saving them under the client's folder. Received a call from TD Bank for a GIC statement, Sent an email to the Accounting department for the deposit Receiver's Fee cheque. Email sent to M. Lem to process wire payment. Reconciled the account with actual payment and recorded wire entry in the system.
08-Aug-2022	Deborah Hornbostel	.20	Review and approve disbursements, receipt, and review of new TGF invoice
09-Aug-2022	Chahna Nathwani	.60	Printing fee cheque; Scanning and Saving a copy under the directory for reference; sent an email to R. Bernakevitch for depositing the cheque., Prepared wire requisition for TGF for 9th and 10th billing and sent it to D. Hornbostel and S. Title for approval; sent approved requisition to M. Lem and F. Khalfan; posted wire entry in Ascend and processed for the payment.
09-Aug-2022	Deborah Hornbostel	.10	Approve payment of TGF wire re additional invoice
10-Aug-2022	Deborah Hornbostel	.10	Review and respond to emails from R. Nicholson and S. Title
10-Aug-2022	Fatemah Khalfan	.40	Authorized wire to TGF; sent to M. Lem; received authorization back; saved to client folder and sent copies to C. Nathwani.
10-Aug-2022	Matthew Lem	.10	wire authorizations
24-Aug-2022	Deborah Hornbostel	.40	Review the email from Justin Papazian regarding Morris Group claims; tc with Rachel Nicholson to discuss the required letter and turnover of funds.



DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
29-Aug-2022	Deborah Hornbostel	.20	Review draft letter to Justin Papazian and amendments re S. Title's changes and approve the release.
29-Aug-2022	Sheldon Title	.50	review of the draft letter to Phoenix/Justin on Morris Group, call with Phoenix on Guergis status
07-Sep-2022	Deborah Hornbostel	.10	Review emails from G. Phoenix and R. Nicholson and respond to R. Nicholson
28-Sep-2022	Deborah Hornbostel	.30	Mtg with R. Nicholason and S. Title re Guergis claim NORD, email her the last settlement offer sent to T. Guergis.
28-Sep-2022	Sheldon Title	.30	call Nicholson and Hornbostel on Guergis claim

**SUMMARY OF TIME CHARGES**

Professional	Title	Avg Hourly Rate	Total Hours	Amount
Sheldon Title	Senior Vice-President	\$ 690.00	1.10	\$ 759.00
Deborah Hornbostel	Senior Vice-President	\$ 690.00	1.40	\$ 966.00
Matthew Lem	Senior Vice-President	\$ 600.00	.10	\$ 60.00
Fatemah Khalfan	Estate Administrator	\$ 243.00	.40	\$ 97.20
Chahna Nathwani	Estate Administrator	\$ 243.00	2.20	\$ 534.60
TOTAL			5.20	\$ 2,416.80

# Invoice



**Invoice Number :** 10660267

**Client Number :** 0921591

**Invoice Date :** Nov 15 2022

**Invoice Terms :** Due Upon Receipt

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2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.  
c/o MNP LTD.  
300-111 RICHMOND STREET WEST  
TORONTO, ON M5H 2G4

## For Professional Services Rendered :

For services related in the matter of the Receiverships of 2738283, 2738284 and 2738285 Ontario Inc, for the period from October 1, 2022 to October 31, 2022. (Detailed time descriptions attached) 6,338.40

Harmonized Sales Tax : 823.99

**Total (CAD) :** 7,162.39

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](http://www.MNPDebt.ca)

## DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
12-Oct-2022	Chahna Nathwani	.30	Call with M. Sattler TD bank re one-year cashable GIC rate of interest, Sent email to D. Hornbostel on draft invoice amount, legal fee payments and new interest rates
12-Oct-2022	Deborah Hornbostel	.30	Review TGF account, email to Chahna for account preparation, TGF payment and investment instructions
16-Oct-2022	Sheldon Title	.30	review/comment on NORD and emails to Nicholson *2
17-Oct-2022	Chahna Nathwani	.50	Prepared cheque requisition for receiver's fee, prepared cheque for signing, Prepared payment requisition for a legal fee to TGF 10th and 11th billing period, Sent email to TD Bank for re-invest one-year cashable GIC with a higher interest rate, Updated cash-in and reinvest entries in Ascend software to update the general ledger, Login to TD website to print GIC statement, Sent email to D. Hornbostel with updates, Saved statement and confirmation email from TD to directory folder for reference.
17-Oct-2022	Deborah Hornbostel	.70	Review draft NORD re T. Guergis claim and S. Title changes, email to R. Nicholson re same, review emails from her re stay lift letter, review and approve disbursements and provide banking and investment instructions
17-Oct-2022	Fatemah Khalfan	.30	Received wire requisition from C. Nathwani; discussion with D. Hornbostel on this; proceeded to change wire to cheque requisition; saved to client folder and put through Ascend for e-signing.
18-Oct-2022	Chahna Nathwani	.10	Printed and scanned receiver's fee cheque, Sent email to accounting for deposits
18-Oct-2022	Fatemah Khalfan	.40	Cheque printed for TGF; scanned and saved to client folder; arranged for courier with G. Sabatino; emails exchanged with C. Nathwani on this.
19-Oct-2022	Chahna Nathwani	.60	Prepared cheque requisition for HST remittance, Preparing cheque in Ascend software for signature, Called CRA HST department re HST filing period and ordering voucher for the year 2022 for HST remittance in TD bank, Sent email to D. Hornbostel with updates.
19-Oct-2022	Deborah Hornbostel	.80	Arrange for closure of 3 HST accounts, file final returns, review and approve payment of HST owing, provide payment instructions to Chahna, review emails from Arkhadi Bouchelev and Justin Papazian
20-Oct-2022	Deborah Hornbostel	.90	Follow up with R. Nicholson re issuance of NORD, review responding emails from Rachel and Sheldon, review financial records of 7 Generation and all supporting documentation re Tony Guergis claim and respond
21-Oct-2022	Deborah Hornbostel	.20	Review emails from R. Nicholson
26-Oct-2022	Deborah Hornbostel	2.80	Thorough review of Tony Guergis documentation and NORD, prepare revisions to the NORD and email to S. Title and R. Nicholson re concerns re payments made wrt retainers

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
28-Oct-2022	Chahna Nathwani	.60	Reviewed and saved letters re HST RT01 accounts. Prepared voucher for depositing HST remittance cheque to TD bank, Went to TD Bank, Scanned and saved confirmation slip and saved in directory folder, Sent email to D. Hornbostel with updates.
28-Oct-2022	Deborah Hornbostel	1.50	Call with S. Title and R. Nicholson to review issues on T. Guergis claim, email to Blake Larsen to request further clarification
28-Oct-2022	Sheldon Title	.70	call with Nicholson/Hornbostel on NORD/review of A/P info, email to Hornbostel

**SUMMARY OF TIME CHARGES**

Professional	Title	Avg Hourly Rate	Total Hours	Amount
Sheldon Title	Senior Vice-President	\$ 690.00	1.00	\$ 690.00
Deborah Hornbostel	Senior Vice-President	\$ 690.00	7.20	\$ 4,968.00
Chahna Nathwani	Estate Administrator	\$ 243.00	2.10	\$ 510.30
Fatemah Khalfan	Estate Administrator	\$ 243.00	.70	\$ 170.10
<b>TOTAL</b>			<b>11.00</b>	<b>\$ 6,338.40</b>

# Invoice



Invoice Number : 10733734

Client Number : 0921591

Invoice Date : Jan 13 2023

Invoice Terms : Due Upon Receipt

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2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.  
c/o MNP LTD.

## For Professional Services Rendered :

For services related in the matter of the Receiverships of 2738283, 2738284 and 2738285 Ontario Inc, for the period from November 1, 2022 to December 31, 2022. (Detailed time descriptions attached) \$5,600.70

Harmonized Sales Tax : 728.09

**Total (CAD) :** \$6,328.79

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**  
**1 ADELAIDE ST E, SUITE 1900; TORONTO ON; M5C 2V9**  
**P: (416) 596-1711 F: (416) 596-7894 [www.MNPDebt.ca](http://www.MNPDebt.ca)**

## DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
04-Nov-2022	Deborah Hornbostel	.30	Receipt and review of documents from G. Phoenix re Morris Claim, file same, email to B. Larsen to follow up on queries re Guergis claim, review email from R. Nicholson.
07-Nov-2022	Deborah Hornbostel	.10	Voice mail to B. Larsen re o/s email response
15-Nov-2022	Deborah Hornbostel	.30	Review accounts, provide payment and investment directions to C. Nathwani
16-Nov-2022	Deborah Hornbostel	1.70	Prepare SRD and 246(2) report and email it to OSB
18-Nov-2022	Chahna Nathwani	.90	Email communication with M. Sattler (TD Bank Officer) on new interest rates, email to D. Hornbostel for approval of redemption and reinvestment, Email sent to M. Sattler directing to redeem, reinvest and transfer some amount to estate account, Updating Ascend file with bank entries, Prepared requisitions for MNP fee and Legal fee, Processed cheques for signatures, printed and mailed cheques, email sent to Accounting department with directions of depositing.
18-Nov-2022	Deborah Hornbostel	.20	Review banking status, term deposit renewal and postings, review and approve disbursements
28-Nov-2022	Deborah Hornbostel	.60	Respond to email from S. Haasz, tc from T. Guergis re claim
29-Nov-2022	Deborah Hornbostel	1.10	Emails with R. Nicholson and S. Title re T. Guergis NORD issues, review related invoices, NORD revisions, review email and subsequent changes to NORD from S. Title, amend further and respond to S. Title
29-Nov-2022	Sheldon Title	.30	review of Guergis Nord and comments thereon; emails to Hornbostel/Nicholson
30-Nov-2022	Deborah Hornbostel	.30	Review email from G. Phoenix requesting distribution amount info for B. Larsen, provide info
01-Dec-2022	Deborah Hornbostel	.40	Review and respond to email from Lee Bass re 7 Generations, forward that email and 246(2) report to B. Larsen
06-Dec-2022	Deborah Hornbostel	.40	Review email from B. Larsen, provide him copies of the APA and related amending agreement, review emails from S. Title and R. Nicholson re NORD, issue it to T. Guergis and B. Larsen via separate emails.
08-Dec-2022	Deborah Hornbostel	.20	Email exchanges with R. Nicholson re T. Guergis claim
16-Dec-2022	Deborah Hornbostel	.10	Review emails from A. Bouchelev and R. Nicholson re Notice of Dispute
19-Dec-2022	Deborah Hornbostel	.90	Tc from T. Guergis, email him word version of Dispute Notice, update to Rachena dn Sheldon
19-Dec-2022	Sheldon Title	.20	review Notice of Dispute (Guergis)
20-Dec-2022	Deborah Hornbostel	.60	Review Dispute Notice from Tony Guergis, review Claims Process and Distribution Orders, review email from R. Nicholson re proposed course of action wrt Dispute Notice and reply
20-Dec-2022	Sheldon Title	.10	email exchange relating to Guergis NORD with Nicholson, Hornbostel

**SUMMARY OF TIME CHARGES**

<b>Professional</b>	<b>Title</b>	<b>Hourly Rate</b>	<b>Total Hours</b>	<b>Amount</b>
Sheldon Title	Senior Vice-President	\$ 690.00	0.60	\$ 414.00
Deborah Hornbostel	Senior Vice-President	\$ 690.00	7.20	\$ 4,968.00
Chahna Nathwani	Estate Administrator	\$ 243.00	0.90	\$ 218.70
<b>TOTAL</b>			<b>8.70</b>	<b>\$ 5,600.70</b>

# Invoice



Invoice Number : 11010647

Client Number : 0921591

Invoice Date : May 2 2023

Invoice Terms : Due Upon Receipt

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2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.  
c/o MNP LTD.

## For Professional Services Rendered :

For services related in the matter of the Receiverships of 2738283, 2738284 and 2738285 Ontario Inc, for the period from January 1, 2023 to April 30, 2023. (Detailed time descriptions attached) \$8,395.80

Harmonized Sales Tax : 1,091.45

**Total (CAD) :** \$9,487.25

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**  
**1 ADELAIDE ST E, SUITE 1900; TORONTO ON; M5C 2V9**  
**P: (416) 596-1711 F: (416) 596-7894 [www.MNPDebt.ca](http://www.MNPDebt.ca)**



## DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
12-Jan-2023	Deborah Hornbostel	.30	Review and respond to emails from R. Nicholson re Tony Guergis claim and her discussion with G. Phoenix, provide payment and investment instructions to Chahna
12-Jan-2023	Sheldon Title	.10	emails between Hornbostel, Nicholson on Guergis claim and consideration of suggested approach
13-Jan-2023	Chahna Nathwani	.90	email communication with TD Bank on redemption of GIC, updating file with GIC cashing and reinvesting with the higher interest rate, Prepared requisitions for receivership fee and legal fee payment, forwarded to D. Hornbostel and S. Title for approval, prepared cheques for signing, printed and mailed cheques
13-Jan-2023	Deborah Hornbostel	.40	Review and respond to email from R. Nicholson re her discussion with Arkadi, review and approve disbursements
27-Jan-2023	Deborah Hornbostel	.20	Review and respond to email from G. Phoenix, review responses from R. Nicholson
01-Feb-2023	Deborah Hornbostel	.20	Review and comment on draft correspondence from R. Nicholson to Arkadi
07-Feb-2023	Deborah Hornbostel	.20	Review and comment on emails from R. Nicholson and M. Grossell
08-Feb-2023	Deborah Hornbostel	.10	Review emails from Mitch and Sheldon re mediation dates and respond
21-Feb-2023	Deborah Hornbostel	.10	Receipt and review of TGF invoice 16
23-Feb-2023	Deborah Hornbostel	.10	Review emails from Mitch Grossell re mediation
14-Mar-2023	Deborah Hornbostel	.60	Review email from MEM Engineering, review affidavit of mailing and provide documentation to them as to the claims procedure and barring of any claims, receipt of new invoice from TGF, review funds status and provide instructions for payment to TGF
15-Mar-2023	Reina Patel	.20	Email to TD to redeem GIC to cover cheques.
16-Mar-2023	Reina Patel	.40	Complete two cheque reqs.
17-Mar-2023	Deborah Hornbostel	.30	Review email from M. Grossell re upcoming mediation and respond, review further emails from S. Title and M. Grossell on the matter
17-Mar-2023	Sheldon Title	.10	email exchange with Mitch Grossell and Deborah on admission of new evidence
20-Mar-2023	Deborah Hornbostel	.10	Review and approve disbursement to TGF
20-Mar-2023	Reina Patel	.60	Redeem term deposit, two cheque reqs for 16/17 bill of costs.
22-Mar-2023	Deborah Hornbostel	1.20	Review and comment on emails from M. Grossell, attend initial case conference re Tony Guergis claim
22-Mar-2023	Sheldon Title	1.20	email to/from Mitch Grossell re: claims process; attendance at hearing
06-Apr-2023	Deborah Hornbostel	.20	Review emails from M. Grossell and S. Title re G. Phoenix request for distribution to 7 Generations

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
06-Apr-2023	Sheldon Title	.50	email from Grossell; review of discrepancy between Excess Funds per report and order; return email to Grossell on same in regards to Larsen's request for distribution of additional funds
12-Apr-2023	Deborah Hornbostel	.90	Discussion with S. Title re request for interim distribution to Blake Larsen, review court order and bank account and claim, meeting with M. Grossell to discuss same, receipt and review of TGF invoice #18, fwd to S. Title and arrange for payment thereof
12-Apr-2023	Sheldon Title	.70	calls/email with Hornbostel/Grossell, call with Grossell and Hornbostel on reserve/further distribution; email to Reina and Chahna to update banking to include interest received
13-Apr-2023	Deborah Hornbostel	.30	Investigation into TGF missing payment, arrange for replacement cheque and stop payment
13-Apr-2023	Reina Patel	.20	Create deposit voucher for 18th Bill of Costs.
13-Apr-2023	Sheldon Title	.10	email from/to Hornbostel on approving TGF legal fees and on o/s cheque; emails re: stop payment
14-Apr-2023	Deborah Hornbostel	1.30	Review and approve cheque req for TGF 18 billing, sign cheque for it and replacement re past payment, review and forward email from Justin P. re Morris Group over to M.Grossell for response, prepare interim OSB reporting
14-Apr-2023	Reina Patel	.20	Cheque req for legal fees.
19-Apr-2023	Deborah Hornbostel	.30	review various emails from M. Grossell, S. Title and Jayson Thomas
19-Apr-2023	Sheldon Title	.30	email from Grossell and review of Morris letter agreement/escrow agreement and response thereto
27-Apr-2023	Deborah Hornbostel	.20	Review emails from Mitch Grossell regarding change of lawyer of Guergis to TMC and proposed change in timeline, update from Mitch re status of additional distribution to B. Larsen
27-Apr-2023	Sheldon Title	.30	emails to/from Grossell on Doug Bourassa acting for Guergis and impact on litigation schedule

**SUMMARY OF TIME CHARGES**

Professional	Hourly Rate (CAD \$)	Total Hours	Amount (CAD \$)
Deborah Hornbostel; Senior Vice-President	\$740.00	7.00	\$ 5,180.00
Sheldon Title; Senior Vice-President	\$740.00	3.30	\$ 2,442.00
Chahna Nathwani; Estate Administrator	\$250.00	0.90	\$ 225.00
Reina Patel; Consultant	\$343.00	1.60	\$ 548.80
<b>TOTAL</b>		<b>12.80</b>	<b>\$ 8,395.80</b>

# Invoice



Invoice Number : 11136623

Client Number : 0921591

Invoice Date : Jul 14 2023

Invoice Terms : Due Upon Receipt

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2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.

## For Professional Services Rendered :

For services related in the matter of the Receiverships of 2738283, 2738284 and 2738285 Ontario Inc, for the period from May 1, 2023 to June 30, 2023. (Detailed time descriptions attached) \$12,805.60

Harmonized Sales Tax : 1,664.73

**Total (CAD) :** \$14,470.33

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**  
**1 ADELAIDE ST E, SUITE 1900; TORONTO ON; M5C 2V9**  
**P: (416) 596-1711 F: (416) 596-7894 [www.MNPDebt.ca](http://www.MNPDebt.ca)**

**DETAILED TIME CHARGES**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DETAILED TIME DESCRIPTIONS</b>
02-May-2023	Chahna Nathwani	.60	Requested Martin (TD Bank) for a cash-in portion of the deposit, saved confirmation email in a folder, updated Ascend accordingly, Prepared cheque requisition for receiver's fee payment, processed cheque in Ascend for e-sign, printed cheque and gave it to Accounting team with directions to deposit the cheque
02-May-2023	Deborah Hornbostel	.60	Review trust account and accounts payable, provide banking and investment instructions to Chahna, review and approve disbursement, sign cheque, email to M. Stadler at TD re: investment rates, review response and provide further investment instructions
05-May-2023	Chahna Nathwani	.30	Prepared wire requisition for the payment for 7 Generations and forwarded to S. Title for initial approval
05-May-2023	Deborah Hornbostel	1.30	Review supplementary claims record from Tony Guergis and provide comments instructions to Chahna re term deposit redemption for payment to B. Larsen, review S. Title's comments on Guergis claims record
05-May-2023	Sheldon Title	1.20	review of further affidavit and review of NORD, POC, other docs, forward comments to Grossell on same, consideration of Hornbostel position, email to Nathwani/Hornbostel on distribution to 7 Generations
08-May-2023	Deborah Hornbostel	.40	Review emails from M. Grossell and S. Title re affidavit of Tony Guergis and respond, email to C. Nathwani to follow up on issuance of wire transfer to B. Larsen
08-May-2023	Sheldon Title	1.30	review of Guergis claim and responding affidavit and email to Grossell on comments on same; emails to/from Phoenix on same
09-May-2023	Sheldon Title	.50	call with Graham Phoenix
10-May-2023	Sheldon Title	.40	email/consideration of direction of funds, interest rates, etc.
11-May-2023	Chahna Nathwani	.90	Email communication with TD on cash in GIC, Prepared wire for 7 Generations payment, processed wire online, sent req to Sheldon and Deborah for approval, Prepared wire authorization, and sent it to M. Lem for approval.
11-May-2023	Deborah Hornbostel	.10	Review and approve wire transfer
11-May-2023	Sheldon Title	.60	emails internally, email from Phoenix with the direction, follow up on cashing GIC and requisitioning wire; call with Phoenix, and email from Grossell on Larsen response to supplementary materials
12-May-2023	Chahna Nathwani	.20	Teams call with M. Lem, Revised the Wire date to today's date and resend it to Matthew, Prepared wire confirmation and sent it to S. Title, Updated Ascend file with disbursement.
12-May-2023	Deborah Hornbostel	.20	Review email exchanges between Sheldon and Mitch re B. Larson response to affidavit of T. Guergis and go forward plans
12-May-2023	Matthew Lem	.10	Attend to wire authorization
16-May-2023	Sheldon Title	.40	call with Phoenix and Grossell separately on non-filing of additional materials and consideration with Mitch as to whether to take steps to examine Tony Guergis on his affidavit
17-May-2023	Deborah Hornbostel	.20	Update from S. Title re Guergis claim and response from Larsen's counsel, review email from M.Grossell
17-May-2023	Sheldon Title	.40	calls with Grossell, review of draft affidavit and text messages
19-May-2023	Sheldon Title	.20	call with Grossell on his discussion with Bourassa

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
25-May-2023	Chahna Nathwani	.50	Downloaded statement summary from Online TD, Updated Ascend with interest amount, Reconciled July 2022 to April 2023 statement, Printed and attached with the bank statement, signed and handed it over to S. Title for review and approval.
29-May-2023	Deborah Hornbostel	.20	Review email from M Grossel re Arkadi seeking solicitor's lien over potential settlement funds, respond to Mitch, review S. Title's response and response from Mitch
29-May-2023	Sheldon Title	.30	email to/from Mitchell Grossell re: Arkardi request for charging lien, review of POC for direction, email from Hornbostel on her position on the matter
30-May-2023	Sheldon Title	1.50	call with Bourassa and then call with Grossell re: status of Tony Guergis claims
07-Jun-2023	Deborah Hornbostel	.50	Review email from A. Rajkor of MEM Engineering wrt barred claim, review previous emails and notifications and respond
07-Jun-2023	Sheldon Title	.10	email exchange with Grossell on Arkardi booking time for fee protection hearing
12-Jun-2023	Sheldon Title	.10	email exchange with Grossell on requested extension by Bourassa for delivery of materials
15-Jun-2023	Sheldon Title	.40	review of Guergis' written submissions and email to/from Grossell on same
19-Jun-2023	Chahna Nathwani	.40	Updated GIC cash-in to Ascend file, saved GIC email to a folder, prepared cheque requisition for TGF invoices, processed payment in Ascend for signing, Email sent to D. Hornbostel for approval and signing.
19-Jun-2023	Deborah Hornbostel	.30	Receipt and review of TGF invoice, arrange for payment of last two invoices, approve requisition and sign cheque
19-Jun-2023	Sheldon Title	1.70	review of Arkadi aide memorire and email exchange with Grossell; review of 19th and 20th invoices; review of draft responding materials and provide comments
20-Jun-2023	Sheldon Title	.40	review of revised responding brief and email to Grossell on same
21-Jun-2023	Sheldon Title	.40	review of final version of responding materials and email exchanges with Grossell on same
22-Jun-2023	Deborah Hornbostel	.20	Review emails re settlement offer proposal
22-Jun-2023	Sheldon Title	.50	call with Mitch on proposed settlement terms and email exchange with Mitch on settlement offer
26-Jun-2023	Sheldon Title	.30	review of supplementary response from Tony and emails to/from Mitch re: same
28-Jun-2023	Sheldon Title	.70	call with Mitch on claim settlement discussions, further emails exchanged to provide instructions on settling
29-Jun-2023	Deborah Hornbostel	.10	Update from S. Title re negotiations status
29-Jun-2023	Sheldon Title	.40	call with Mitch Grossell, email exchanged on potential settlement, call with Phoenix

**SUMMARY OF TIME CHARGES**

<b>Professional</b>	<b>Hourly Rate (CAD \$)</b>	<b>Total Hours</b>	<b>Amount (CAD \$)</b>
Sheldon Title; Senior Vice-President	\$ 756.95	11.80	\$ 8,932.00
Deborah Hornbostel; Senior Vice-President	\$ 750.73	4.10	\$ 3,078.00
Matthew Lem; Senior Vice-President	\$ 650.00	0.10	\$ 65.00
Chahna Nathwani; Estate Administrator	\$ 251.93	2.90	\$ 730.60
<b>TOTAL</b>		<b>18.90</b>	<b>\$ 12,805.60</b>

# Invoice



Invoice Number : 11216205

Client Number : 0921591

Invoice Date : Sep 12 2023

Invoice Terms : Due Upon Receipt

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2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.

## For Professional Services Rendered :

For services related in the matter of the Receiverships of 2738283, 2738284 and 2738285 Ontario Inc, for the period from July 1, 2023 to August 31, 2023. (Detailed time descriptions attached) \$19,102.30

Harmonized Sales Tax : 2,483.30

**Total (CAD) :** \$21,585.60

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**  
**1 ADELAIDE ST E, SUITE 1900; TORONTO ON; M5C 2V9**  
**P: (416) 596-1711 F: (416) 596-7894 [www.MNPDebt.ca](http://www.MNPDebt.ca)**

**DETAILED TIME CHARGES**

<b>DATE</b>	<b>PROFESSIONAL</b>	<b>HOURS</b>	<b>DETAILED TIME DESCRIPTIONS</b>
04-Jul-2023	Sheldon Title	.30	emails/phone call with Mitch Grossell re: settlement offer
19-Jul-2023	Sheldon Title	.10	emails with Mitch on Megan's bill and her rendering her decision imminently
20-Jul-2023	Sheldon Title	.10	email with Grossell
21-Jul-2023	Sheldon Title	.30	exchange of emails with Grossell on payment of claims officer's invoice, call with Hornbostel on same and requisition payment in order to secure release of decision
21-Jul-2023	Chahna Nathwani	.60	Prepared wire requisition for legal fee payment, Login to TD and processed initial wire authorization, saved wire con. and sent it to M. Lem for second approval
21-Jul-2023	Deborah Hornbostel	.20	Review and approve wire requisition re mediator, update from S.Title re status of decision
24-Jul-2023	Sheldon Title	.50	email to Mitch G; email with Hornbostel; review decision
24-Jul-2023	Chahna Nathwani	.20	Reprocessed wire for Matthew, prepared wire confirmation and forwarded to Sheldon for client, updated Ascend file
24-Jul-2023	Deborah Hornbostel	.70	Review vm from T. Guergis and return call, quick review of decision of from the mediator
25-Jul-2023	Sheldon Title	.10	email exchange with Grossell on costs submission
26-Jul-2023	Sheldon Title	.30	review of time summary on time spent dealing with Guergis claim, email to Grossell on same
26-Jul-2023	Deborah Hornbostel	1.20	Review dockets to isolate NORD appeal related time
28-Jul-2023	Deborah Hornbostel	.20	Review emails from S. Title and M. Grossell re decision distribution and handling of costs and appeals
31-Jul-2023	Sheldon Title	.20	email exchange with Grossell on costs; further email exchange on settlement offer
31-Jul-2023	Deborah Hornbostel	.30	Review email from M. Grossell re cost allocation proposal to Guergis, respond, review subsequent email re settlement proposal and appeal threat and respond. review S. Title's response
01-Aug-2023	Sheldon Title	.50	emails from Grossell, Hornbostel on Doug Bourassa's settlement offer email and provide comments thereto, receipt of Phoenix response to proposed settlement
01-Aug-2023	Deborah Hornbostel	.70	Review draft email response from M. Grossell and Sheldon's comments, tc from T. Guergis to request partial distribution, email update to Sheldon and Mitch, review amended draft email and then response from G. Phoenix
03-Aug-2023	Sheldon Title	1.20	call with Grossell *2 (14 mins); call with Guergis (11 mins) and 40 mins; emails with Grossell
04-Aug-2023	Sheldon Title	.50	email exchanges with Grossell on timeliness of distribution if settlement reached; receipt of settlement counter from Phoenix and further exchange with Grossell; call with Grossell
05-Aug-2023	Sheldon Title	.30	review of costs submission and exchanges with Grossell on same
09-Aug-2023	Sheldon Title	.30	emails to/from Grossell on settlement



DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
10-Aug-2023	Deborah Hornbostel	.10	Update from ST re Guergis settlement
15-Aug-2023	Kal Ruprai	1.50	review emails and agreement, call w Sheldon - jv, whether tony had an agreement and there was breach of the agreement deeming HST to be included in settlement amt
15-Aug-2023	Sheldon Title	.40	review/revise minutes of settlement and forward response to Mitch Grossell and email to Hornbostel to request invoices; teams msg to Kal on HST aspects of settlement
15-Aug-2023	Sheldon Title	1.00	call with Kal Ruprai on HST aspects of the settlement agreement, review of s.182 of ETA directive, call with Grossell on same;
15-Aug-2023	Deborah Hornbostel	.50	Review email from S. Title, locate info and provide to him, receipt and review of iTGF invoice, fwd. to S. Title
16-Aug-2023	Sheldon Title	.40	call with Hornbostel, emails to/from Grossell; reconcile accounts and request interim SRD
16-Aug-2023	Sheldon Title	.70	call with Grossell, Phoenix and Bourassa; review of revised settlement agreement and emails relating to HST; email internally to prepare for quick distribution
16-Aug-2023	Chahna Nathwani	.10	Updated Ascend file with interest incomes
16-Aug-2023	Deborah Hornbostel	1.40	Further review of T. Guergis claim info and accounting of his invoices, discussion with ST re same. prepare interim SRD and projection of final distribution, instructions for outstanding postings to Ascend
17-Aug-2023	Sheldon Title	.70	prepare for distribution of funds to Guergis, sign requisitions, emails to Grossell and call with Phoenix on settlement agreement/direction
17-Aug-2023	Chahna Nathwani	.50	Prepared wire reqs for final distributions and forwarded to S. Title for initial approval, prepared chq req for TGF invoice, processed chq in Ascend for signing, sent to Deborah for approval
18-Aug-2023	Sheldon Title	.70	call and email with Grossell, send emails to Arkadi and Bourassa to advise of interim payment, internal emails and calls on processing of wires; emails relating to interim distribution to 7 Generations, including email to Phoenix
18-Aug-2023	Matthew Lem	.20	Attend to wire authorizations
18-Aug-2023	Chahna Nathwani	1.30	Login to TD and processed wire payments for final distribution, saved wire authorizations and forwarded to M. Lem for processing, prepared wire confirmations and sent it to Sheldon T., updated Ascend file with payments, prepared wire req for interim payment to 7 Generations, forwarded to S. Title and Deborah H. for approval, login to TD website to process the payment, sent email to M. Lem with wire authorization, updated Ascend file with payments, prepared wire confirmation and forwarded to Sheldon T.
18-Aug-2023	Deborah Hornbostel	.20	Approve disbursement wire to TMC, approve wire to B. Larsen
20-Aug-2023	Sheldon Title	.80	commence work on third report
21-Aug-2023	Sheldon Title	.50	continued work on report

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
24-Aug-2023	Sheldon Title	.20	email exchange with Grossell on Sept 22nd court date, Morris claim
28-Aug-2023	Sheldon Title	3.80	continued work on third report; revise SRD and prepare schedules
29-Aug-2023	Sheldon Title	.10	emails with Grossell and Chahna on advancing report and having Deborah carry out second partner review
29-Aug-2023	Deborah Hornbostel	1.70	Review/edit draft 3rd report to court, access CRA online for account status, vm to L. Nielsen of CRA
30-Aug-2023	Sheldon Title	.40	receipt of revised report, make further revisions and send to Grossell for his review
31-Aug-2023	Sheldon Title	.10	receipt/review of Grossell's changes to report
31-Aug-2023	Deborah Hornbostel	.20	Review message from Lisa Nielsen of CRA re corporate tax filings, update S. Title

#### SUMMARY OF TIME CHARGES

Professional	Hourly Rate (CAD \$)	Total Hours	Amount (CAD \$)
Sheldon Title; Senior Vice-President	\$ 780.00	14.50	\$ 11,310.00
Deborah Hornbostel; Senior Vice-President	\$ 780.00	7.40	\$ 5,772.00
Matthew Lem; Senior Vice-President	\$ 650.00	0.20	\$ 130.00
Kal Rupraj; Partner	\$ 785.00	1.50	\$ 1,177.50
Chahna Nathwani; Estate Administrator	\$ 260.00	2.70	\$ 712.80
<b>TOTAL</b>		<b>26.30</b>	<b>\$ 19,102.30</b>

## **Appendix “K”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N :**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**AFFIDAVIT OF ROBERT I. THORNTON  
(Sworn September 8, 2023)**

**I, ROBERT I. THORNTON**, of the City of Toronto, in the Province of Ontario,  
**MAKE OATH AND SAY AS FOLLOWS:**

1. I am a barrister and solicitor qualified to practice law in the Province of Ontario and I am a partner at Thornton Grout Finnigan LLP (“TGF”), lawyers for MNP Ltd., the Court-appointed receiver of the Respondents (the “Receiver”). As such, I have knowledge of the matters to which I hereinafter depose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as **Exhibit "A"** are copies of the bills of costs issued to the Receiver by TGF for fees and disbursements incurred by TGF through the course of these proceedings between June 18, 2022 through to August 31, 2023.

3. Attached hereto as **Exhibit "B"** is a schedule summarizing the bills of costs in Exhibit "A", the total billable hours charged per invoice, the total fees charged per invoice and the average hourly rate charged per invoice.

4. Attached hereto as **Exhibit "C"** is a schedule summarizing the respective years of call and billing rates of each of the solicitors at TGF who acted for the Receiver.

5. To the best of my knowledge, the rates charged by TGF throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services.

6. The hourly billing rates outlined in **Exhibit "C"** to this affidavit are comparable to the hourly rates charged by TGF for services rendered in relation to similar proceedings.

7. I make this affidavit in support of a motion by the Receiver for, *inter alia*, approval of the fees and disbursements of the Receiver's counsel.

SWORN before me in the City of Toronto,  
at the Province of Ontario, on this the 8<sup>th</sup>  
day of September, 2023.

Commissioner for Taking Affidavits

Puya Fesharadi  
#705882



ROBERT I. THORNTON

This is Exhibit "A" referred to in the Affidavit of  
Robert I. Thornton before me at the City of Toronto, in  
the Province of Ontario, on this the 8<sup>th</sup> day of  
September, 2023.

A handwritten signature in blue ink, consisting of stylized, cursive letters, positioned above a horizontal line.

A Commissioner for taking affidavits

**EXHIBIT "A"**

Court File No. CV-21-00670723-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N :**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**NINTH BILL OF COSTS OF THE SOLICITORS TO THE COURT  
APPOINTED RECEIVER**

**For the period June 18, 2022 to June 30, 2022**

Jun-18-22	Review memorandum with respect to agreement regarding sale of land; review and revise draft Notice of Revision or Disallowance;	0.80	RN
Jun-20-22	Draft and send email to MNP with respect to NORD and status of motion record; email with respect to fee affidavit; emails with respect to claim amount; review revised NORD and email with respect to same; review of proposed settlement terms for claims; email to Receiver with respect to same; emails with respect to report;	1.40	RN
	Editing Tatham NORD with changes;	0.50	SHS
Jun-21-22	Emails with S. Srikaruna with respect to draft order;	0.20	RN
	Reviewing all material regarding the Morris Claim and conducting research on performing duties under a contract; drafting email regarding summary of claims for R. Nicholson;	3.70	SHS
Jun-22-22	Emails with Receiver with respect to report and fee affidavit; emails with S. Srikaruna with respect to draft order; review fee affidavit;	3.80	RN

	commission fee affidavit; review and revise draft report; circulate same for review; emails with respect to same; draft order; circulate same for review; call with S. Srikaruna with respect to draft notice of motion; review emails from Receiver with respect to order and report;		
	Drafting Notice of Motion;	2.00	SHS
Jun-23-22	Review and revise second report; review and respond to emails regarding same; review and revise draft order and review and respond to emails regarding same;	0.90	RIT
	Emails with Receiver with respect to draft order; email to M. Keenberg with respect to order and report; review of D. Hornbostel fee affidavit; conference call with S. Title and D. Hornbostel to discuss relief sought; revise draft order and report; circulate same for review; email with respect to appendices; circulate draft order to G. Phoenix for review; revise report; revise draft notice of motion; circulate same for review; call with S. Title with respect to service of materials; emails with G. Phoenix with respect to report; review compiled appendices; email with respect to same;	5.60	RN
	Reviewing and editing Notice of Motion;	1.00	SHS
Jun-24-22	Revisions to report; email to M. Magni with respect to compiling motion record; review compiled motion record; instructions with respect to service; review discharge statement;	0.60	RN
Jun-27-22	Review affidavit of service; review discharge statement and email with respect to same; email to G. Phoenix with respect to same;	0.20	RN
Jun-28-22	Email with respect to scheduling call to discuss settlement of claim; revise draft order and circulate same for review; emails with Receiver with respect to scheduling call to discuss filed claim; email from G. Phoenix with respect to B. Larsen position on claim;	0.50	RN
Jun-29-22	Review documentation and emails with respect to Morris Group claim and consider same; conference call with Receiver to discuss same; follow up call with S. Srikaruna;	1.30	RN
	Call with Client; drafting call notes and timeline for R. Nicholson;	1.40	SHS
Jun-30-22	Follow up email with respect to order; attend conference call with claimant's counsel; follow up call with D. Hornbostel; email to G. Phoenix with respect to fee reserve amount;	1.00	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.



<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Robert I. Thornton	0.90	\$1,250.00	1,125.00
Rachel Nicholson	15.40	\$675.00	10,395.00
Shurabi Srikaruna (Student)	8.60	\$375.00	3,225.00
<b>TOTAL FEE HEREIN</b>			<b>\$14,745.00</b>
<b>HST on Fees</b>			<b><u>\$1,916.85</u></b>

**Total Fees and HST** **\$16,661.85**

**OUR ACCOUNT HEREIN** **\$16,661.85**

**Thornton Grout Finnigan LLP**



**Per: Rachel Nicholson**

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 38438

Date: Jul 08/22

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.  
AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC**  
and **PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.**  
and **2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**NINTH BILL OF COSTS OF THE SOLICITORS TO THE**  
**COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**TENTH BILL OF COSTS OF THE SOLICITORS TO THE COURT  
APPOINTED RECEIVER**

**For the period July 1, 2022 to July 31, 2022**

Jul-04-22	Call with G. Phoenix to discuss various matters; review amended claim and email with respect to same; calls with S. Title to discuss fee reserve; calls with G. Phoenix to discuss same; emails with respect to same;	1.40	RN
	Meeting with client; creating timeline of events and writing up call notes;	2.00	SHS
Jul-05-22	Email with respect to motion and counsel slip; revise draft order and circulate same; call with J. Papazian to discuss claim and order; review revised calculation and email with respect to same; emails with respect to revised draft order; emails with respect to settlement offer; call with S. Title;	1.80	RN
	Review of email from M. Magni; review of CaseLines; email to M. Magni; emails with team; email to Service List regarding counsel slip; email to Court regarding zoom details; circulating zoom details to counsel; uploading draft Orders to CaseLines;	0.60	BJB
Jul-06-22	Telephone call with R. Nicholson regarding preparing for court hearing;	0.20	RIT

	Review and revise counsel slip; call with R. Thornton to discuss motion; call with G. Phoenix to discuss motion and remaining claim; prepare submissions for motion returnable today; attend motion returnable today; email to R. Thornton with respect to same;	2.50	RN
	Updating Counsel Slip; emails with R. Nicholson; uploading Counsel Slip to CaseLines; emails with R. Nicholson regarding calendar invitation;	0.40	BJB
Jul-07-22	Email with respect to distributions;	0.10	RN
Jul-08-22	Review and revise summary of Morris Group claim and particulars; email same to Receiver; emails with respect to scheduling call to discuss claim;	1.00	RN
Jul-12-22	Call with J. Papazian to discuss claim; email to G. Phoenix to schedule call to discuss same;	0.60	RN
Jul-13-22	Emails with respect to scheduling call with G. Phoenix;	0.10	RN
Jul-14-22	Call with R. Thapar with respect to request for authorization; email with respect to same; call with S. Title with respect to same;	0.30	RN
Jul-15-22	Draft authorization; call with S. Title to discuss same; emails with R. Thapar with respect to same;	0.70	RN
Jul-18-22	Conference call with Receiver and G. Phoenix to discuss outstanding claims and next steps; emails with respect to purchaser's request for authorization;	1.00	RN
Jul-19-22	Call with S. Title to discuss request from purchaser; call with G. Phoenix to discuss same and outstanding claims; email to J. Papazian with respect to scheduling call;	0.60	RN
Jul-20-22	Review and consider email from R. Thapar with respect to authorization; revise draft authorization; email same to Receiver for review; emails with respect to scheduling call to discuss Morris Group claim; review comments from S. Title on draft authorization and call to discuss same; revise same; email to G. Phoenix with respect to same;	1.30	RN
Jul-22-22	Emails with respect to authorization; send draft to R. Thapar for review;	0.50	RN
Jul-25-22	Finalize draft authorization and send same to Receiver for execution; compile and send to R. Thapar;	0.20	RN
Jul-27-22	Update with respect to discussion with counsel to disputed claimant;	0.10	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>	
Robert I. Thornton	0.20	\$1,250.00	250.00	
Rachel Nicholson	12.20	\$675.00	8,235.00	
Shurabi Srikaruna (Student)	2.00	\$375.00	750.00	
Bobbie-Jo Brinkman (Law Clerk)	1.00	\$325.00	325.00	
<b>TOTAL FEE HEREIN</b>			<b>\$9,560.00</b>	
<b>HST on Fees</b>			<b>\$1,242.80</b>	
<b>Total Fees and HST</b>				<b>\$10,802.80</b>
<b><u>Disbursements:</u></b>				
Computer Research			\$32.95	
Filing of Motion Record*			<u>\$320.00</u>	
<b>Total Taxable Disbursements</b>			<b>\$32.95</b>	
<b>HST on Disbursements</b>			<b>\$4.28</b>	
<b>Total Non-Taxable Disbursements</b>			<b><u>\$320.00</u></b>	
<b>Total Disbursements and HST</b>				<b><u>\$357.23</u></b>
<b>Total Fees, Disbursements &amp; HST</b>				<b><u>\$11,160.03</u></b>
<b>OUR ACCOUNT HEREIN</b>				<b><u>\$11,160.03</u></b>

Thornton Grout Finnigan LLP



Per:

Rachel A. Nicholson

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 38550

Date: Aug 08/22

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.  
AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC**  
and **PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.**  
and **2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**TENTH BILL OF COSTS OF THE SOLICITORS TO**  
**THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rmicholson@tgf.ca

Lawyers for the Court-Appointed Receiver





**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**ELEVENTH BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER**

**For the period August 1, 2022 to August 31, 2022**

Aug-03-22	Email with respect to litigation of claim;	0.20	RN
Aug-10-22	Email to Receiver with respect to amended claim and status of claim resolution;	0.10	RN
Aug-22-22	Send follow up emails with respect to status of claims;	0.20	RN
Aug-24-22	Review amended proof of claim and draft lift stay consent letter; call with D. Hornbostel with respect to same; send draft letter and cover email to R. Thornton for review;	0.80	RN
Aug-29-22	Review and respond to emails and reviewing letter regarding claim deal; telephone call with R. Nicholson;	0.40	RIT
	Emails with respect to status of outstanding claims; review comment on draft letter and revise same; circulate same to Receiver for review; emails with respect to draft letter and further revisions to same;	0.80	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Robert I. Thornton	0.40	\$1,250.00	500.00
Rachel Nicholson	2.10	\$675.00	1,417.50
<b>TOTAL FEE HEREIN</b>			<b>\$1,917.50</b>
<b>HST on Fees</b>			<b><u>\$249.28</u></b>
<b>Total Fees and HST</b>			<b><u>\$2,166.78</u></b>
<b>OUR ACCOUNT HEREIN</b>			<b><u>\$2,166.78</u></b>

**Thornton Grout Finnigan LLP**



**Per:**

**Rachel A. Nicholson**

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 38665

Date: Sep 13/22

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**ELEVENTH BILL OF COSTS OF THE SOLICITORS TO  
THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**TWELFTH BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER**

**For the period September 1, 2022 to September 30, 2022**

Sep-07-22	Emails with respect to lift stay letter;	0.10	RN
Sep-23-22	Email from G. Phoenix with respect to lift stay letter;	0.10	RN
Sep-27-22	Emails with respect to scheduling call to discuss remaining claim;	0.10	RN
Sep-28-22	Call with Receiver to discuss NORD; consideration of same;	0.40	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Rachel Nicholson	0.70	\$675.00	472.50
<b>TOTAL FEE HEREIN</b>			<b>\$472.50</b>
<b>HST on Fees</b>			<b><u>\$61.43</u></b>
<b>Total Fees and HST</b>			<b><u>\$533.93</u></b>

**OUR ACCOUNT HEREIN**

**\$533.93**

**Thornton Grout Finnigan LLP**



**Per:**

**Rachel A. Nicholson**

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 38747

Date: Oct 11/22

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**TWELFTH BILL OF COSTS OF THE SOLICITORS TO  
THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver





**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**THIRTEENTH BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER**

**For the period October 1, 2022 to October 31, 2022**

Oct-13-22	Finalize lift stay letter and send same to client for execution; prepare Notice of Revision or Disallowance; circulate same to Receiver for review;	1.50	RN
Oct-17-22	Receive finalized letter with respect to lift stay and circulate same;	0.20	RN
Oct-19-22	Review and respond to email from counsel to claimant; receive executed lift stay letter;	0.20	RN
Oct-20-22	Telephone call with R. Nicholson regarding NORD for employee claims;	0.20	RIT
	Review NORD and emails with respect to same; finalize same; call with R. Thornton to discuss same; emails with Receiver with respect to same;	0.50	RN
Oct-21-22	Emails with respect to HST on invoice of disputed claim; circulate draft NORD for review;	0.20	RN

Oct-26-22	Emails with respect to draft NORD;	0.20	RN
Oct-27-22	Review and consider emails with respect to draft NORD; emails with Receiver to schedule call to discuss same;	0.30	RN
Oct-28-22	Prepare for and attend call with Receiver to discuss NORD;	0.90	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Robert I. Thornton	0.20	\$1,250.00	250.00
Rachel Nicholson	4.00	\$675.00	2,700.00
<b>TOTAL FEE HEREIN</b>			<b>\$2,950.00</b>
<b>HST on Fees</b>			<b><u>\$383.50</u></b>
<b>Total Fees and HST</b>			<b><u>\$3,333.50</u></b>
<b>OUR ACCOUNT HEREIN</b>			<b><u>\$3,333.50</u></b>

**Thornton Grout Finnigan LLP**



**Per:**

**Rachel A. Nicholson**

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 38866

Date: Nov 08/22

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**THIRTEENTH BILL OF COSTS OF THE SOLICITORS  
TO THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**FOURTEENTH BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER**

**For the period November 1, 2022 to November 30, 2022**

Nov-04-22	Receive and review executed lift stay letter and escrow agreement;	0.10	RN
Nov-08-22	Emails with respect to status of comments on NORD:	0.10	RN
Nov-18-22	Email to G. Phoenix with respect to NORD;	0.10	RN
Nov-29-22	Send follow up email with respect to questions regarding NORD and claim amount; finalize NORD and send same to Receiver;	0.40	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Rachel Nicholson	0.70	\$675.00	472.50
<b>TOTAL FEE HEREIN</b>			<b>\$472.50</b>
<b>HST on Fees</b>			<b><u>\$61.43</u></b>
<b>Total Fees and HST</b>			<b><u>\$533.93</u></b>
<b>OUR ACCOUNT HEREIN</b>			<b><u>\$533.93</u></b>

**Thornton Grout Finnigan LLP**



**Per:**

**Rachel A. Nicholson**

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 38992

Date: Dec 09/22

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**FOURTEENTH BILL OF COSTS OF THE SOLICITORS  
TO THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver





**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**FIFTEENTH BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER**

**For the period December 1, 2022 to December 31, 2022**

Dec-02-22	Review revised NORD and comments on same; email to Receiver with respect to same;	0.30	RN
Dec-08-22	Review and respond to inquiry with respect to Dispute Notice; call with G. Phoenix to discuss Dispute Notice; email to Receiver with respect to same;	0.20	RN
Dec-16-22	Emails with respect to Dispute Notice;	0.10	RN
Dec-19-22	Emails with Receiver with respect to discussion with T. Guergis;	0.20	RN
Dec-20-22	Review and consider Notice of Dispute and attachments; email to Receiver with respect to same;	0.70	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Rachel Nicholson	1.50	\$675.00	1,012.50

<b>TOTAL FEE HEREIN</b>			<b>\$1,012.50</b>
<b>HST on Fees</b>			<b><u>\$131.63</u></b>

<b>Total Fees and HST</b>			<b><u>\$1,144.13</u></b>
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<b>OUR ACCOUNT HEREIN</b>			<b><u>\$1,144.13</u></b>
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**Thornton Grout Finnigan LLP**



**Per:**

**Rachel A. Nicholson**

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 39089

Date: Jan 11/23

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**FIFTEENTH BILL OF COSTS OF THE SOLICITORS TO  
THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**SIXTEENTH BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER**

**For the period January 1, 2023 to January 31, 2023**

Jan-12-23	Email to client with respect to Notice of Dispute and next steps; email to G. Phoenix; call with G. Phoenix to discuss same; email to client with respect to same;	0.50	RN
Jan-13-23	Review documentation and prepare for call with counsel to claimant; call with A. Bouchelev; draft and send summary of same to client;	1.00	RN
Jan-23-23	Review and respond to email from G. Phoenix with respect to remaining claim;	0.10	RN
Jan-27-23	Emails with respect to status of discussion with respect to claim;	0.20	RN
Jan-28-23	Emails with respect to settlement discussions in respect of remaining disputed claim;	0.20	RN
Jan-31-23	Review and consider letter from counsel to claimant; email to Receiver with respect to same;	0.40	RN

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Rachel Nicholson	2.40	\$750.00	1,800.00
<b>TOTAL FEE HEREIN</b>			<b>\$1,800.00</b>
<b>HST on Fees</b>			<b><u>\$234.00</u></b>
<b>Total Fees and HST</b>			<b>\$2,034.00</b>
<b><u>Disbursements:</u></b>			
3% Administrative Fee			<u>\$54.00</u>
<b>Total Taxable Disbursements</b>			<b>\$54.00</b>
<b>HST on Disbursements</b>			<b>\$7.02</b>
<b>Total Non-Taxable Disbursements</b>			<b><u>\$0.00</u></b>
<b>Total Disbursements and HST</b>			<b><u>\$61.02</u></b>
<b>OUR ACCOUNT HEREIN</b>			<b><u>\$2,095.02</u></b>

**Thornton Grout Finnigan LLP**



**Per: Rachel Nicholson**

GST No. 87042 1039RT  
Matter No. 1492-002  
Invoice No. 39204  
Date: Feb 21/23

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6.00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.

AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**SIXTEENTH BILL OF COSTS OF THE SOLICITORS  
TO THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver





**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**SEVENTEENTH BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER**

**For the period February 1, 2023 to February 28, 2023**

Feb-01-23	Draft responding letter to A. Bouchelev; email same to Receiver for review; emails with respect to same; finalize and send same;	1.00	RN
Feb-02-23	Prepare file transfer memorandum and email to M. Grossell and J. Hardy with respect to same;	0.80	RN
Feb-07-23	Review of transition memorandum prepared by R. Nicholson; email correspondence with R. Nicholson regarding file; introductory email from R. Nicholson; review of correspondence with counsel to disputing claimant; email correspondence with claims officer; email correspondence with opposing counsel; email from A. Bouchelev regarding case conference; responding email regarding same; email to S. Title and D. Hornbostel regarding same; review of email correspondence between A. Bouchelev and R. Nicholson regarding settlement offers;	2.00	MG
	Email to A. Bouchelev; email to Receiver with respect to transition of matter; emails with Claims Officer with respect to potential adjudication of claim required; review email exchange with A.	0.80	RN

Bouchelev; review emails with respect to scheduling case conference;

Feb-08-23	Email from D. Hornbostel regarding availability for a case conference; email to G. Phoenix regarding same;	0.20	MG
Feb-23-23	Email from A. Bouchelev regarding case conference availability; email to G. Phoenix regarding same; email to S. Title and D. Hornbostel; email to claims officer regarding disputed claim;	0.80	MG

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Mitch Grossell	3.00	\$700.00	2,100.00
Rachel Nicholson	2.60	\$750.00	1,950.00
<b>TOTAL FEE HEREIN</b>			<b>\$4,050.00</b>
<b>HST on Fees</b>			<b><u>\$526.50</u></b>
<b>Total Fees and HST</b>			<b>\$4,576.50</b>
 <b><u>Disbursements:</u></b>			
3% Administrative Fee			\$121.50
<b>Total Taxable Disbursements</b>			<b>\$121.50</b>
<b>HST on Disbursements</b>			<b>\$15.80</b>
<b>Total Non-Taxable Disbursements</b>			<b><u>\$0.00</u></b>
<b>Total Disbursements and HST</b>			<b><u>\$137.30</u></b>
<b>Total Fees, Disbursements &amp; HST</b>			<b>\$4,713.80</b>
<b>OUR ACCOUNT HEREIN</b>			<b>\$4,713.80</b>

**Thornton Grout Finnigan LLP**



**Per: Mitch Grossell**

GST No. 87042 1039RT  
Matter No. 1492-002  
Invoice No. 39279  
Date: Mar 13/23

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**SEVENTEENTH BILL OF COSTS OF THE  
SOLICITORS TO THE COURT APPOINTED  
RECEIVER**

**Thornton Grout Finnigan LLP**

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N :

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**EIGHTEENTH BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER AND MANAGER**

**For the period March 1, 2023 to March 31, 2023**

Mar-16-23	Email correspondence with G. Phoenix regarding claims officer case conference;	0.30	MG
Mar-17-23	Review of Proof of Claim, Notice of Revision or Disallowance and Dispute Notice in respect of Guergis claim; consideration of litigation schedule;	1.60	MG
Mar-21-23	Email to counsel to Guergis regarding claims officer litigation schedule; email to MNP regarding email from G. Phoenix; email from D. Hornbostel regarding same; email to G. Phoenix;	0.60	MG
Mar-22-23	Email from A. Bouchelev regarding proposed procedural process; emails with D. Hornbostel and S. Title regarding same; responding email to A. Bouchelev; preparation of submissions for procedural hearing; telephone call with G. Phoenix; attend initial case conference with the claims officer;	3.90	MG
Mar-23-23	Review of endorsement of claims officer; sending same to the Receiver; email to G. Phoenix regarding procedural hearing;	0.70	MG

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Mitch Grossell	7.10	\$700.00	4,970.00
<b>TOTAL FEE HEREIN</b>			<b>\$4,970.00</b>
<b>HST on Fees</b>			<b><u>\$646.10</u></b>
<b>Total Fees and HST</b>			<b>\$5,616.10</b>
<b><u>Disbursements:</u></b>			
3% Administrative Fee			\$149.10
<b>Total Taxable Disbursements</b>			<b>\$149.10</b>
<b>HST on Disbursements</b>			<b>\$19.38</b>
<b>Total Non-Taxable Disbursements</b>			<b><u>\$0.00</u></b>
<b>Total Disbursements and HST</b>			<b><u>\$168.48</u></b>
<b>Total Fees, Disbursements &amp; HST</b>			<b>\$5,784.58</b>
 <b>OUR ACCOUNT HEREIN</b>			 <b>\$5,784.58</b>

**Thornton Grout Finnigan LLP**



**Per:**

**Mitch Grossell**

GST No. 87042 1039RT  
Matter No. 1492-002  
Invoice No. 39342  
Date: Apr 12/23

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c. C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**EIGHTEENTH BILL OF COSTS OF THE  
SOLICITORS TO THE COURT APPOINTED  
RECEIVER**

**Thornton Grout Finnigan LLP**  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver





**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

- and -

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**NINETEENTH BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER AND MANAGER**

**For the period April 1, 2023 to April 30, 2023**

Apr-06-23	Email correspondence from G. Phoenix regarding further distribution; email correspondence to D. Hornbostel and S. Title regarding same;	0.30	MG
Apr-12-23	Preparation for and attend conference call with S. Title and D. Hornbostel regarding additional distribution;	0.60	MG
Apr-18-23	Review of various email correspondence with respect to the Morris Group; review of lift stay letter; email correspondence to D. Hornbostel regarding Morris Group;	0.70	MG
Apr-19-23	Email correspondence with S. Title regarding Morris Group; email correspondence to J. Papazian regarding same;	0.40	MG
Apr-27-23	Telephone call with D. Bourassa regarding change of lawyer;	0.70	MG
Apr-28-23	Telephone call with D. Bourassa regarding Guergis claim;	0.30	MG

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Mitch Grossell	3.00	\$700.00	2,100.00
<b>TOTAL FEE HEREIN</b>			<b>\$2,100.00</b>
<b>HST on Fees</b>			<b><u>\$273.00</u></b>
<b>Total Fees and HST</b>			<b>\$2,373.00</b>
<b><u>Disbursements:</u></b>			
3% Administrative Fee			\$63.00
<b>Total Taxable Disbursements</b>			<b>\$63.00</b>
<b>HST on Disbursements</b>			<b>\$8.19</b>
<b>Total Non-Taxable Disbursements</b>			<b><u>\$0.00</u></b>
<b>Total Disbursements and HST</b>			<b><u>\$71.19</u></b>
<b>Total Fees, Disbursements &amp; HST</b>			<b>\$2,444.19</b>
<b>OUR ACCOUNT HEREIN</b>			<b><u>\$2,444.19</u></b>

**Thornton Grout Finnigan LLP**



**Per: Mitch Grossell**

GST No. 87042 1039RT  
Matter No. 1492-002  
Invoice No. 39442  
Date: May 09/23

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**  
**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC**  
**and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.**  
**and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**NINETEENTH BILL OF COSTS OF THE SOLICITORS**  
**TO THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N:**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC)**

Applicants

**- and -**

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended.**

**TWENTIETH BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER AND MANAGER**

**For the period May 1, 2023, to May 31, 2023**

May-01-23	Email correspondence with G. Phoenix regarding interim distribution; emails with S. Title regarding same;	0.20	MG
May-02-23	Review of notes in respect of further distributions; call with S. Title regarding same; email to G. Phoenix regarding distribution;	0.30	MG
May-04-23	Email correspondence with D. Bourassa regarding document referred to in the Receiver's NORD; review of file in respect of same;	0.50	MG
May-05-23	Email correspondence from S. Title regarding agreement between T. Guergis and B. Larsen; review of document; email to D. Bourassa regarding same; brief review of submissions by T. Guergis; emails from D. Hornbostel and S. Title regarding comments on the submissions and respond to same;	0.70	MG
May-08-23	Review of affidavit of T. Guergis and notes with respect to same; drafting email to S. Title and D. Hornbostel regarding questions arising with respect to the affidavit; email to G. Phoenix regarding same; review of email correspondence from S. Title regarding affidavit of T. Guergis;	1.90	MG

May-09-23	Office conference with A. Wyville regarding research into oral agreements and Statute of Frauds; email correspondence with G. Phoenix regarding T. Guergis affidavit;	0.60	MG
	Commencing initial research for a memorandum in advance of the Guergis Claim Hearing regarding the viability of Tony Guergis' claim;	1.50	ADW
May-10-23	Review of email correspondence from G. Phoenix regarding distribution to 7 Generations; email correspondence with S. Title; email correspondence to G. Phoenix regarding affidavit of T. Guergis;	0.90	MG
May-11-23	Review of signed direction from 7 Generations Development; telephone call with G. Phoenix regarding additional details from B. Larsen; drafting summary email to MNP regarding same;	1.50	MG
May-16-23	Telephone call with S. Title regarding examination of T. Guergis; consideration of same;	0.40	MG
May-17-23	Commission affidavit for B. Brinkman;	0.10	AWO
	Email correspondence to G. Phoenix regarding the responding evidence of the Receiver and examination of T. Guergis; review of affidavit of B. Brinkman; review of text messages; telephone calls (x2) with B. Brinkman; telephone call with S. Title regarding affidavit;	1.90	MG
	Review of communication from M. Grossell; telephone call with M. Grossell; review of email from client; prepare draft affidavit; prepare components to responding claims record; review of additional exhibits; finalize affidavit and prepare responding claims record; telephone call with M. Grossell; finalize responding record and serve same;	1.30	BJB
May-18-23	Telephone calls with S. Title regarding Guergis claim;	0.10	MG
May-19-23	Telephone call with D. Bourassa regarding settlement of claim; telephone call with G. Phoenix regarding same; review of settlement offers;	1.50	MG
May-24-23	Continuing research on a memorandum for M Grossell regarding the viability of Tony Guergis' claim;	4.00	ADW
May-25-23	Continuing research and commencing drafting a memorandum for M Grossell regarding the viability of Tony Guergis' claim;	4.00	ADW
May-26-23	Continuing to draft and revise a memorandum for M Grossell regarding the viability of Tony Guergis' claim;	5.00	ADW
May-27-23	Conducting supplemental research and final revisions on my memorandum for M Grossell regarding the viability of Tony Guergis' claim;	5.00	ADW

May-29-23	Email correspondence from A. Bouchelev regarding solicitor's lien action against client; consideration of same and responding email to A. Bouchelev; review of memorandum from A. Wyville regarding application of contract law to the Guergis claim; provide comments on same;	1.00	MG
	Conducting supplemental research and incorporating final revisions after receiving the feedback of M Grossell into my memorandum regarding the viability of Tony Guergis' claim;	3.50	ADW
May-30-23	Telephone call with S. Title regarding update from call with D. Bourassa; following up with D. Bourassa regarding settlement; telephone call with D. Bourassa;	0.90	MG

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Mitch Grossell	12.40	\$700.00	8,680.00
Alexander Overton	0.10	\$475.00	47.50
Bobbie-Jo Brinkman (Law Clerk)	1.30	\$350.00	455.00
Adam Wyville (Student)	23.00	\$400.00	9,200.00
<b>TOTAL FEE HEREIN</b>			<b>\$18,382.50</b>
<b>HST on Fees</b>			<b><u>\$2,389.73</u></b>
<b>Total Fees and HST</b>			<b>\$20,772.23</b>
 <b><u>Disbursements:</u></b>			
3% Administrative Fee			\$551.48
<b>Total Taxable Disbursements</b>			<b>\$551.48</b>
<b>HST on Disbursements</b>			<b>\$71.69</b>
<b>Total Non-Taxable Disbursements</b>			<b><u>\$0.00</u></b>
<b>Total Disbursements and HST</b>			<b><u>\$623.17</u></b>
<b>Total Fees, Disbursements &amp; HST</b>			<b>\$21,395.40</b>
<b>OUR ACCOUNT HEREIN</b>			<b><u>\$21,395.40</u></b>

Thornton Grout Finnigan LLP



Per: Mitch Grossell

GST No. 87042 1039RT  
Matter No. 1492-002  
Invoice No. 39538  
Date: June 14/23

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.



**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**VY GPVÆTH BILL OF COSTS OF THE SOLICITORS  
TO THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N:**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC)**

Applicants

**- and -**

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**TWENTY FIRST BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER AND MANAGER**

**For the period June 1, 2023 to June 30, 2023**

Jun-07-23	Email correspondence from former counsel to T. Guergis regarding case conference; email to S. Title regarding same; emails with A. Wyville regarding responding submissions;	0.30	MG
Jun-08-23	Commence first draft of the Receiver's Legal Brief for the Guergis claims dispute;	1.00	ADW
Jun-09-23	Continuing preliminary work on first draft of the Receiver's Legal Brief for M. Grossell in anticipation of the forthcoming Guergis claims dispute;	2.00	ADW
Jun-12-23	Review of email from D. Bourassa regarding extension; email to S. Title regarding same; respond to D. Bourassa;	0.30	MG
Jun-13-23	Email from the claims officer; email from J. Simpson regarding same;	0.20	MG

Jun-14-23	Review of written submissions of the claimant and consideration of same; email correspondence with A. Wyville regarding written submissions;	0.40	MG
	Reviewing Guergis' written submissions in support of his disputed claim and identifying key points to respond to in the Receiver's responding submissions;	1.00	ADW
Jun-15-23	Review of written submissions with respect to dispute of Guergis Claim; provide summary of same to S. Title; forward written submissions to G. Phoenix; drafting email to A. Wyville regarding same; email correspondence with A. Wyville in respect of ability to require B. Larsen to provide evidence;	1.50	MG
	Revising and continuing to draft the Receiver's Responding Submissions; conducting supplementary research on issues raised in the written submissions identified by M. Grossell;	10.50	ADW
Jun-16-23	Continuing to draft the Receiver's Responding Submissions in the claims dispute initiated by Guergis for M. Grossell; Incorporating the comments of M. Grossell and G. Phoenix;	7.00	ADW
Jun-19-23	Preparation for and attend case conference in respect of solicitors lien; email to A. Bouchelev regarding aide memoire; dealing with access to CaseLines; telephone call with D. Bourassa regarding case conference and status of settlement offers; review of notes in respect of solicitors' liens and charges; email correspondence with S. Title regarding case conference and submissions; review of draft Responding Submissions and revisions to same;	6.20	MG
	Review of email from M. Grossell; granting M. Grossell access to CaseLines; subsequent emails with M. Grossell;	0.20	BJB
	Finalizing and revising draft of the Receiver's Responding Submissions for M. Grossell;	5.00	ADW
Jun-20-23	Review of comments from S. Title regarding Responding Submissions; further revisions to Responding Submissions; email correspondence with G. Phoenix; review of endorsement of Justice Osborne; review of comments from counsel to B. Larsen; review of comments from G. Phoenix and revised draft of the Responding Submissions; further revisions to same;	3.10	MG
	Review and revise to the Receiver's Responding Submissions;	6.00	ADW
Jun-21-23	Review and revision to Responding Submissions of the Receiver; email to S. Title regarding Responding Submissions; email to G. Phoenix regarding same;	1.50	MG
Jun-22-23	Telephone call with D. Bourassa regarding potential settlement offer; telephone call with S. Title regarding same; telephone call with G.	1.30	MG

	Phoenix regarding same;		
Jun-23-23	Review of Reply Submissions of T. Guergis;	0.50	MG
Jun-26-23	Review of Reply Submissions regarding T. Guergis claim; telephone call with G. Phoenix regarding settlement offer; telephone call with D. Bourassa regarding additional reply and potential counteroffer; review of Addendum to Reply; review of email from D. Bourassa regarding settlement offer;	1.30	MG
Jun-27-23	Telephone call with D. Bourassa regarding negotiation of settlement; telephone call with G. Phoenix regarding potential settlement; drafting email to M. Keenberg regarding decision;	1.00	MG
Jun-28-23	Telephone call with D. Bourassa regarding settlement negotiations; telephone call with S. Title regarding same; review of Claims Process Order and consider path to settlement; telephone call with G. Phoenix; email update to S. Title;	2.00	MG
Jun-29-23	Telephone call with D. Bourassa regarding negotiation of claim; telephone call with S. Title regarding update; email correspondence from and to D. Bourassa; email from G. Phoenix; email to the Claims Officer;	1.10	MG

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Mitch Grossell	20.70	\$700.00	14,490.00
Bobbie-Jo Brinkman (Law Clerk)	0.20	\$350.00	70.00
Adam Wyville (Student)	32.50	\$400.00	13,000.00
<b>TOTAL FEE HEREIN</b>			<b>\$27,560.00</b>
<b>HST on Fees</b>			<b><u>\$3,582.80</u></b>
<b>Total Fees and HST</b>			<b>\$31,142.80</b>
<b><u>Disbursements:</u></b>			
3% Administrative Fee			\$826.80
<b>Total Taxable Disbursements</b>			<b>\$826.80</b>
<b>HST on Disbursements</b>			<b>\$107.48</b>
<b>Total Non-Taxable Disbursements</b>			<b><u>\$0.00</u></b>
<b>Total Disbursements and HST</b>			<b><u>\$934.28</u></b>
<b>Total Fees, Disbursements &amp; HST</b>			<b>\$32,077.08</b>
<b>OUR ACCOUNT HEREIN</b>			<b><u>\$32,077.08</u></b>

**Thornton Grout Finnigan LLP**



**Per:**

**Mitch W. Grossell**

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 39645

Date: Jul 12/23

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.  
AND IN THE MATTER OF AN 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*, RSO 1990, c. C.43, as amended

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC

Applicants

2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**TWENTY FIRST BILL OF COSTS OF THE**  
**SOLICITORS TO THE COURT APPOINTED**  
**RECEIVER**

**Thornton Grout Finnigan LLP**

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver





**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N:**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC)**

Applicants

**- and -**

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**TWENTY-SECOND BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER AND MANAGER**

**For the period July 1, 2023 to July 31, 2023**

Jul-04-23	Review of email correspondence from D. Bourassa regarding settlement offer; email correspondence to S. Title regarding same; telephone call with D. Bourassa regarding settlement offer; telephone call with S. Title; email correspondence to G. Phoenix regarding settlement negotiations;	1.20	MG
Jul-19-23	Email correspondence from M. Keenberg regarding decision; review and consideration of claims process order and email correspondence in respect of costs; email correspondence from S. Title regarding same;	0.40	MG
Jul-21-23	Email correspondence with D. Bourassa regarding payment of the Claims Officer invoice; email correspondence to D. Bourassa regarding same; emails to and from S. Title regarding same;	0.40	MG
Jul-26-23	Review of email correspondence from M. Grossell regarding preparing Bill of Costs and responding to same;	0.10	BJB
Jul-27-23	Commence preparation of Bill of Costs; emails with M. Grossell;	1.30	BJB
Jul-28-23	Email correspondence from S. Title regarding costs and respond to same; email from G. Phoenix and respond to same;	0.40	MG
Jul-31-23	Review of Bill of Costs; email correspondence with D. Bourassa; telephone call with D. Bourassa regarding settlement proposal; email correspondence	0.70	MG

update to MNP regarding same;

Review of email correspondence from M. Grossell; updating Bill of Costs; 0.30 BJB  
email correspondence to M. Grossell;

And to all other necessary telephone communications, attendances and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Mitch Grossell	3.10	\$700.00	2,170.00
Bobbie-Jo Brinkman (Law Clerk)	1.70	\$350.00	595.00
<b>TOTAL FEE HEREIN</b>			<b>\$2,765.00</b>
<b>HST on Fees</b>			<b><u>\$359.45</u></b>
<b>Total Fees and HST</b>			<b>\$3,124.45</b>
<b><u>Disbursements:</u></b>			
3% Administrative Fee			<u>\$82.95</u>
<b>Total Taxable Disbursements</b>			<b>\$82.95</b>
<b>HST on Disbursements</b>			<b>\$10.78</b>
<b>Total Non-Taxable Disbursements</b>			<b><u>\$0.00</u></b>
<b>Total Disbursements and HST</b>			<b><u>\$93.73</u></b>
<b>Total Fees, Disbursements &amp; HST</b>			<b><u>\$3,218.18</u></b>
<b>OUR ACCOUNT HEREIN</b>			<b><u>\$3,218.18</u></b>

**Thornton Grout Finnigan LLP**



**Per:**  
**Mitch Grossell**

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 39733

Date: Aug 15/23

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.  
AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC

Applicants

2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**TWENTY-SECOND BILL OF COSTS OF THE SOLICITORS  
TO THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
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**Rachel A. Nicholson (LSO# 68348V)**

Tel: 416-304-1153 / Email: rnicholson@tgf.ca

Lawyers for the Court-Appointed Receiver



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

**BETWEEN:**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC)**

**Applicants**

**and**

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

**Respondents**

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC.,  
2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**TWENTY-THIRD BILL OF COSTS OF THE SOLICITORS TO THE  
COURT APPOINTED RECEIVER AND MANAGER**

**For the period August 1, 2023 to August 31, 2023**

Aug-01-23	Review of email from D. Bourassa regarding settlement of Guergis claim; drafting email to MNP with proposed response; further email correspondence with S. Title and D. Hornbostel regarding Guergis claim; respond to same; email to D. Bourassa regarding same;	1.00	MG
Aug-02-23	Email from G. Phoenix regarding appeal period and respond to same;	0.20	MG
	Commencing a first draft of Costs Submissions in the Guergis Claims Dispute for M Grossell;	1.20	ADW
Aug-03-23	Telephone call with S. Title regarding update from T. Guergis; telephone call with D. Bourassa; telephone call with S. Title; email to G. Phoenix regarding settlement offer; further email correspondence regarding same;	1.10	MG
Aug-04-23	Telephone call with G. Phoenix regarding counter proposal; email correspondence regarding same; email from and to S. Title regarding same; telephone calls with D. Bourassa and S. Title regarding settlement of the claim;	1.40	MG

Aug-06-23	Review of draft cost submissions and revisions to same;	0.80	MG
	Revising and finalizing a first draft of the Costs Submissions in the Guergis Claims Dispute for M Grossell;	0.40	ADW
Aug-07-23	Review of comments on the costs submissions; revision to same; revision to Bill of Costs; review of Notice of Appeal;	0.60	MG
	Composing a consolidated, final PDF version of the Costs Submissions in the Guergis Claims Dispute for M Grossell; Delivering the Costs Submissions to the Claims Officer and counsel for Tony Guergis;	0.30	ADW
Aug-08-23	Telephone call with D. Bourassa regarding settlement of Guergis claim; telephone call with S. Title regarding same;	0.80	MG
Aug-09-23	Telephone call with D. Bourassa regarding settlement; email correspondence with D. Bourassa and A. Bouchelev regarding same; email correspondence with S. Title;	0.50	MG
Aug-10-23	Drafting email to G. Phoenix regarding settlement of claim; telephone call with G. Phoenix;	0.60	MG
Aug-11-23	Drafting Claim Settlement Agreement; review of direction and provide comments on same; email correspondence with D. Bourassa regarding the directions, claim settlement agreement and HST;	0.90	MG
Aug-14-23	Review of comments on the settlement agreement from S. Title; revisions to the settlement agreement; email correspondence with D. Bourassa regarding settlement agreement; respond to same;	1.40	MG
Aug-15-23	Revision to Settlement Agreement; email to S. Title regarding same; email from S. Title regarding additional revisions to the settlement agreement; further revisions to same; email to G. Phoenix regarding same; review of HST Policy Statement; revision to settlement agreement;	1.90	MG
Aug-16-23	Email correspondence with S. Title regarding invoices; review of invoices; preparation for and attend call with counsel to B. Larsen and T. Guergis; revision to settlement agreement;	1.10	MG
Aug-17-23	Email correspondence regarding finalization of settlement agreement; review of same; dealing with wire instructions;	0.50	MG
Aug-18-23	Email correspondence regarding fully executed settlement agreement; email from S. Title regarding interim distribution to B. Larsen; telephone call with D. Bourassa; email regarding fully executed settlement agreement; review of email from S. Title regarding receipts and disbursements; telephone call with S. Title regarding receipts and disbursements;	1.30	MG
Aug-24-23	Email correspondence regarding discharge hearing; email from and to S. Title;	0.50	MG
Aug-31-23	Review of Receiver's Report and provide comments on same; drafting Discharge Order;	3.30	MG

And to all other necessary telephone communications, attendances, and correspondence with respect to the conduct of this matter.

<u>Lawyer</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Mitch Grossell	17.90	\$700.00	12,530.00
Adam Wyville student	1.90	\$400.00	760.00
<b>TOTAL FEE HEREIN</b>			<b>\$13,290.00</b>
<b>HST on Fees</b>			<b><u>\$1,727.70</u></b>
<b>Total Fees and HST</b>			<b>\$15,017.70</b>
<b><u>Disbursements:</u></b>			
3% Administrative Fee			\$398.70
<b>Total Taxable Disbursements</b>			<b>\$398.70</b>
<b>HST on Disbursements</b>			<b>\$51.83</b>
<b>Total Non-Taxable Disbursements</b>			<b><u>\$0.00</u></b>
<b>Total Disbursements and HST</b>			<b><u>\$450.53</u></b>
<b>Total Fees, Disbursements &amp; HST</b>			<b>\$15,468.23</b>
<b>OUR ACCOUNT HEREIN</b>			<b><u>\$15,468.23</u></b>

Thornton Grout Finnigan LLP



Per:

**Mitchell W. Grossell**

GST No. 87042 1039RT

Matter No. 1492-002

Invoice No. 39829

Date: Sep 07/23

Terms: Payment due upon receipt. Any disbursements not posted to your account on the date of this statement will be billed later. In accordance with Section 35 of The Solicitor's Act, interest will be charged at the rate of 6:00 % per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this Statement is delivered.

IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.  
AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended

PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC

Applicants

2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**TWENTY-THIRD BILL OF COSTS OF THE SOLICITORS TO**  
**THE COURT APPOINTED RECEIVER**

**Thornton Grout Finnigan LLP**

Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

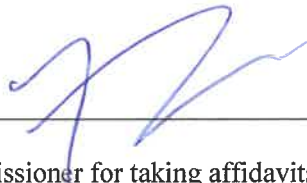
**Mitchell W. Grossell (LSO# 69993I)**

Tel: 416-304-1616 / Email: mgrossell@tgf.ca

Lawyers for the Court-Appointed Receiver



This is Exhibit "B" referred to in the Affidavit of Robert I. Thornton before me at the City of Toronto, in the Province of Ontario, on this the 8<sup>th</sup> day of September, 2023.

A handwritten signature in blue ink, consisting of stylized initials and a surname, positioned above a horizontal line.

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A Commissioner for taking affidavits

## EXHIBIT “B”

Calculation of Average Hourly Billing Rates of  
Thornton Grout Finnigan LLP  
for the period June 18, 2022 to August 31, 2023

Invoice #	Fees	Disb.	HST	Total Hours	Average Hourly Rate	Total (Fees, Disb., HST)
Ninth Bill of Costs <b>38438</b>	\$14,745.00	\$00.00	\$1,916.85	24.90	\$592.17	\$16,661.85
Tenth Bill of Costs <b>38550</b>	\$9,560.00	\$352.95	\$1,247.08	15.40	\$620.78	\$11,160.03
Eleventh Bill of Costs <b>38665</b>	\$1,917.50	\$00.00	\$249.28	2.50	\$767.00	\$2,166.78
Twelfth Bill of Costs <b>38747</b>	\$472.50	\$00.00	\$61.43	0.70	\$675.00	\$533.93
Thirteenth Bill of Costs <b>38866</b>	\$2,950.00	\$00.00	\$383.50	4.20	\$702.38	\$3,333.50
Fourteenth Bill of Costs <b>38992</b>	\$472.50	\$00.00	\$61.43	0.70	\$675.00	\$533.93
Fifteenth Bill of Costs <b>39089</b>	\$1,012.50	\$00.00	\$131.63	1.50	\$675.00	\$1,144.13
Sixteenth Bill of Costs <b>39204</b>	\$1,800.00	\$54.00	\$241.02	2.40	\$750.00	\$2,095.02

<b>Invoice #</b>	<b>Fees</b>	<b>Disb.</b>	<b>HST</b>	<b>Total Hours</b>	<b>Average Hourly Rate</b>	<b>Total (Fees, Disb., HST)</b>
Seventeenth Bill of Costs <b>39279</b>	\$4,050.00	\$121.50	\$542.30	5.60	\$723.21	\$4,713.80
Eighteenth Bill of Costs <b>39342</b>	\$4,970.00	\$149.10	\$665.48	7.10	\$700.00	\$5,784.58
Nineteenth Bill of Costs <b>39442</b>	\$2,100.00	\$63.00	\$281.19	3.00	\$700.00	\$2,444.19
Twentieth Bill of Costs <b>39538</b>	\$18,382.50	\$551.48	\$2,461.42	36.80	\$499.52	\$21,395.40
Twenty-First Bill of Costs <b>39645</b>	\$27,560.00	\$826.80	\$3,690.28	53.40	\$516.10	\$32,077.08
Twenty-Second Bill of Costs <b>39733</b>	\$2,765.00	\$82.95	\$370.23	4.80	\$576.04	\$3,218.18
Twenty-Third Bill of Costs <b>39829</b>	\$13,290.00	\$398.70	\$1,779.53	19.80	\$671.21	\$15,468.23
<b>TOTAL</b>	<b>\$106,047.50</b>	<b>\$2,600.48</b>	<b>\$14,082.65</b>	<b>182.80</b>	<b>\$580.13</b>	<b>\$122,730.63</b>

This is Exhibit "C referred to in the Affidavit of Robert I. Thornton before me at the City of Toronto, in the Province of Ontario, on this the 8<sup>th</sup> day of September, 2023.



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A Commissioner for taking affidavits

**EXHIBIT “C”**

**Billing Rates of Thornton Grout Finnigan LLP**

For the period June 18, 2022 to August 31, 2023

	<b><u>Position</u></b>	<b><u>Rate 2022</u></b>	<b><u>Rate 2023</u></b>	<b><u>Year of Call</u></b>
Robert I. Thornton	Partner	\$1,250	\$1,325	1984
Rachel A. Nicholson	Partner	\$675	\$750	2015
Mitchell Grossell	Associate	\$675	\$700	2016
Alexander Overton	Associate	\$375	\$475	2022
Adam Wyville	Student	\$375	\$400	
Shurabi Srikaruna	Student	\$375	\$400	
Bobbie-Jo Brinkman	Law Clerk	\$325	\$350	



## **Appendix “L”**

**In The Matter Of The Receiverships Of  
2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc.**

**Interim Statement of Receipts and Disbursements and Projected Final Statement of Receipts & Disbursements**

	<b>Balance As At 13-Sep-23</b>	<b>Projected Disbursements</b>	<b>Projected Final Statement</b>
<b>Receipts</b>			
Sale of Assets	\$ 29,114,520.00		\$ 29,114,520.00
Interest Earned	168,968.19		168,968.19
Advance From Secured Creditor	13,500.00		13,500.00
Rental Income	9,772.13		9,772.13
HST Collected	958.38		958.38
Total Receipts	<u>29,307,718.70</u>		<u>29,307,718.70</u>
			-
			-
			-
<b>Disbursements</b>			
Payments To Secured Creditors:	20,691,775.84		20,691,775.84
Distribution to 7 Generations Development Group Ltd.	5,680,336.14		5,680,336.14
Distribution to Unsecured Creditors	1,066,227.11	531,296.80	1,597,523.91
Receiver Fees	366,234.80	34,102.30	400,337.10
Real Estate Commission	291,000.00		291,000.00
Legal Fees	350,475.39	15,000.00	365,475.39
HST Paid On Disbursements	190,327.31	6,383.30	196,710.61
Property Taxes	52,846.72		52,846.72
Repayment Of Advance From Secured Creditor	13,500.00		13,500.00
Repairs & Maintenance	5,163.00		5,163.00
Advertising	4,062.62		4,062.62
Utilities	3,910.30		3,910.30
Environmental Report	2,000.00		2,000.00
Security	1,495.00		1,495.00
Insurance	332.66		332.66
HST Remitted	958.38		958.38
Bank Charges	120.00		120.00
Travel	98.06		98.06
Filing Fees	72.97		72.97
	<u>28,720,936.30</u>	<u>586,782.40</u>	<u>29,307,718.70</u>
<b>Net Receipts</b>	<u><u>\$586,782.40</u></u>	<u><u>(\$586,782.40)</u></u>	<u><u>\$0</u></u>



**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**  
**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.**  
**and 2738285 ONTARIO INC.**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**THIRD REPORT OF THE RECEIVER**

**Thornton Grout Finnigan LLP**  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7  
Fax: 416-304-1313

**Robert I. Thornton (LSO# 41877E)**

Tel: 416-304-0560 / Email: rthornton@tgf.ca

**Mitchell W. Grossell (LSO# 69993I)**

Tel: 416-304-1153 / Email: mgrossell@tgf.ca

Lawyers for the Court-Appointed Receiver, MNP Ltd.

# Tab 3

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

THE HONOURABLE MR. ) FRIDAY, THE 22ND  
JUSTICE OSBORNE ) DAY OF SEPTEMBER, 2023  
)

B E T W E E N:

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC**

Applicants

-AND-

**2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**DISCHARGE ORDER**

**THIS MOTION**, made by MNP Ltd. (“**MNP**”), in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of 2738283 Ontario Inc., 2738284 Ontario Inc. and 2738285 Ontario Inc. (collectively, the “**Debtors**”) in these proceedings (the “**Receivership Proceeding**”) for an order, among other things: (i) approving, *nunc pro tunc*, the letter agreement dated October 17, 2022 among the Receiver, Morris Group Financial, Inc., and Blake Larsen (the “**Letter Agreement**”), (ii) discharging MNP as Receiver upon the filing of the Discharge Certificate (as defined below), (iii) approving the activities of the Receiver as described in the Third Report of the Receiver dated September 14, 2023 (the “**Third Report**”), (iv) approving the fees of the Receiver and its counsel, (v) approving final payments and distributions as set out in

the Third Report, and (vi) unsealing certain Confidential Appendices, was heard this day by judicial video conference.

**ON READING** the Third Report, the Fee Affidavit of Deborah Hornbostel sworn September 13, 2023 (the “**Hornbostel Affidavit**”), the Fee Affidavit of Robert Thornton sworn September 8, 2023 (the “**Thornton Affidavit**”), and such further materials as counsel may advise, and on hearing submissions from counsel to the Receiver, and counsel to those parties listed on the Participant Information Form for today’s hearing, and no one else appearing for any other interested person, although duly served as evidenced by the Affidavit of Service of Natalie Longmore sworn September \_\_\_\_, 2023, filed.

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the Third Report.

### **APPROVAL OF THE LETTER AGREEMENT**

3. **THIS COURT ORDERS** that the Letter Agreement is hereby approved in its entirety and the Receiver is authorized and directed to enter into the Letter Agreement.
4. **THIS COURT ORDERS** that the Receiver is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation of the Letter Agreement.

### **APPROVAL OF FINAL DISTRIBUTIONS**

5. **THIS COURT ORDERS** that the Receiver is authorized and directed to make the following payments and distributions from the amounts held by the Receiver:

- (a) first, to the Receiver and TGF, payment of the final accounts of the Receiver and TGF, as taxed, including the actual fees incurred to complete the administration of the receivership;
- (b) second, \$150,000 to Loopstra Nixon LLP, in trust, in accordance with the Letter Agreement; and
- (c) third, to 7 Generations Development Group Ltd., any remaining funds held by the Receiver after all other payments and distributions have been made in the receivership proceeding.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) in respect of any of the Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Debtors;

the distributions set out in paragraph 5 of this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

#### **APPROVAL OF ACTIVITIES AND FEES OF THE RECEIVER**

7. **THIS COURT ORDERS** that the Third Report and the activities, decisions and conduct of the Receiver as set out in the Third Report are hereby authorized and approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

8. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements and the proforma Final Statement of Receipts and Disbursements as at September 13, 2023, as set out in the Third Report and attached as Appendix "L" to the Third Report, is hereby approved.
9. **THIS COURT ORDERS** that the professional fees of the Receiver for the period between June 18, 2022 to August 31, 2023, as detailed in the Third Report and the Hornbostel Affidavit attached as Appendix "J" to the Third Report, are hereby approved.
10. **THIS COURT ORDERS** that the professional fees of Thornton Grout Finnigan LLP, counsel to the Receiver, for the period between June 18, 2022 to August 31, 2023 as detailed in the Third Report and the Thornton Affidavit attached as Appendix "K" to the Third Report, are hereby approved.

#### **DISCHARGE OF RECEIVER**

11. **THIS COURT ORDERS** that upon completion of the Remaining Activities (as defined in the Third Report), and upon the Receiver filing a certificate in the form attached as Schedule "A" hereto (the "**Discharge Certificate**") certifying that it has completed the Remaining Activities, the Receiver shall be discharged as Receiver of the undertakings, properties and assets of the Debtors, 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 MNP in its capacity as Receiver.
12. **THIS COURT 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 Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver'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 receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

### **UNSEALING**

13. **THIS COURT ORDERS** that upon filing with the Court of Confidential Appendices "1", "2", "3" and "4" to the Amended First Report of the Receiver dated March 3, 2022, which were sealed pending further order of this Court pursuant to the Approval and Vesting Order granted by this Court on March 10, 2022, are hereby unsealed and shall form part of the public record.

### **GENERAL**

14. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.
  15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver and its agents as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
-

**Schedule “A”  
Form of Discharge Certificate**

Court File No. CV-21-00670723-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC and PS HOLDINGS 3 LLC**

Applicants

-AND-

**2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

Respondents

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284  
ONTARIO INC. and 2738285 ONTARIO INC.**

**RECEIVER’S DISCHARGE CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 9, 2021, MNP Ltd. was appointed as the receiver (the “**Receiver**”) of certain assets, undertakings and properties of the Debtors.

B. Pursuant to an Order of the Court dated September 22, 2023 (the “**Discharge Order**”), MNP Ltd. was to be discharged as Receiver of the Debtors to be effective upon the filing by the Receiver with the Court of a certificate confirming that all Remaining Activities (as defined and as described in the Third Report of the Receiver dated September 14, 2023 (the “**Third Report**”)) to be attended to in connection with the receivership have been completed to the satisfaction of the Receiver.



**THE RECEIVER CERTIFIES** the following:

- A. All Remaining Activities as described in the Third Report to be attended to in connection with the receivership of the Debtors have been completed to the satisfaction of the Receiver.
  
- B. This Certificate was filed by the Receiver with the Court on the \_\_\_\_ day of \_\_\_\_, \_\_\_\_ at \_\_\_\_\_.

**MNP LTD.**, solely in its capacity as the Court-appointed receiver of the assets, undertakings and properties of the Debtors and not in its personal or corporate capacity

Per: \_\_\_\_\_

Name: Sheldon Title

Title: Senior Vice-President

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC.**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**DISCHARGE ORDER**

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Lawyers for the Court-Appointed Receiver, MNP Ltd.

**IN THE MATTER OF THE RECEIVERSHIP OF 2738283 ONTARIO INC., 2738284 ONTARIO INC. and 2738285 ONTARIO INC.  
AND IN THE MATTER OF AN 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*, RSO 1990, c C.43, as amended**

**PS HOLDINGS 1 LLC, PS HOLDINGS 2 LLC  
and PS HOLDINGS 3 LLC**

Applicants

**2738283 ONTARIO INC., 2738284 ONTARIO INC.  
and 2738285 ONTARIO INC**

Respondents

Court File No.: CV-21-00670723-00CL

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

Proceedings commenced at Toronto

**MOTION RECORD  
RETURNABLE SEPTEMBER 22, 2023**

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