

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

**STANBARR SERVICES LIMITED, JANODEE INVESTMENTS LTD.,  
MEADOWSHIRE INVESTMENTS LTD., REGARD INVESTMENTS LTD., 1563503  
ONTARIO LIMITED, BEAVER POND INVESTMENTS LTD., THE CANADA TRUST  
COMPANY, RITA ROSENBERG and 527540 ONTARIO LIMITED**

**Applicant**

**- and -**

**METROPOLIS PROPERTIES INC.**

**Respondent**

APPLICATION UNDER Sections 47(1) and 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.

**MOTION RECORD**

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Kitchener, Ontario N2C 1X3

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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APPLICATION UNDER Sections 47(1) and 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.

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  - M. Exhibit "M" – Letter from Rasik Mehta dated November 27, 2013 and registered mail receipt
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- S. Exhibit "S" – Corporation Profile Report for 2413913 Ontario Ltd.
- T. Exhibit "T" – Corporation Profile Report for 2421955 Ontario Inc.
- U. Exhibit "U" – Notice of Application dated February 18, 2014 –  
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# TAB 1

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

**STANBARR SERVICES LIMITED, JANODEE INVESTMENTS LTD.,  
MEADOWSHIRE INVESTMENTS LTD., REGARD INVESTMENTS LTD., 1563503  
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**Applicant**

**- and -**

**METROPOLIS PROPERTIES INC.**

**Respondent**

APPLICATION UNDER Sections 47(1) and 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.

**NOTICE OF MOTION**

The Plaintiffs will make a motion to a Judge presiding over the Commercial List on Thursday, July 10, 2014 at 9:00 a.m. or soon after that time as the motion can be heard at the Court House at 393 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.



**THE MOTION IS FOR:**

1. An order confirming the appointment of MNP Ltd. (the “**Receiver**”) as Receiver of the property municipally known as 91-93 Scollard Street, Toronto, Ontario (the “**Scollard Property**”);
2. An order requiring Canada Investment Corporation to produce to the Receiver its entire file (including that of its lawyer) in connection with the sale of the Scollard Property on June 6, 2014;
3. An order requiring Canada Investment Corporation to provide to the Receiver a full and complete accounting of the June 6, 2014 sale of the Scollard Property;
4. An order requiring the payment of the sale proceeds to the Receiver pending further order of the Court;
5. An order setting a timetable for the hearing of a motion to set aside the sale transaction;
6. An order vacating the September 17, 2014 application date in court file no. CV-14-5058351;
7. An order approving the Receiver’s First Report dated July 7, 2014 and the actions of the Receiver set out therein;
8. Costs of the motion on a substantial indemnity basis;
9. Such further and other relief as may be required in the circumstances;

**THE GROUNDS FOR THIS MOTION ARE:**

1. Until June 6, 2014, the Applicants held mortgages registered against title to the Scollard Property. All of the mortgages were in default. Demand had been made;
2. On June 6, 2014, without notice to the Applicants, the Scollard Property was sold under power of sale. The sale is suspicious. The Applicants were not served with the notice of sale. They have not received an accounting or funds from the sale. The Applicants claim that the sale should be set aside;
3. On June 11 and June 16, 2014, counsel for Metropolis Properties Inc. ("Metropolis") appeared before this Court and never advised the Court that Metropolis no longer owned the Scollard Property;
4. On June 10, 2014, Canada Investment Corporation was served with the Application Record for the appointment of a receiver. It never responded or advised that it had sold the Scollard Property under power of sale;
5. Metropolis and Canada Investment Corporation are controlled and/or directed by the same individuals and are not arm's length parties;
6. On June 16, 2014, Mr. Justice Brown granted an order appointing MNP Ltd. as receiver of the Scollard Property;
7. Some or all of the Respondents to this motion are in breach of the June 16, 2014 Receivership Order. These parties have refused to cooperate with MNP Ltd to allow it to carry out its duties under the order;

8. The transactions relating to the Scollard Property and the players who orchestrated them, are largely similar to the scheme perpetrated with respect to the property municipally known as 65 Malmo Court, Vaughan, Ontario.
9. *Courts of Justice Act*, R.S.O. 1990, c. C.43, s. 103
10. Such further and other grounds as counsel may advise.

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

- (a) The Affidavit of Harvey Margel sworn July 7, 2014;
- (b) First Report of MNP Ltd. dated July 7, 2014;
- (c) such further and other material as counsel may advise and to this Honourable Court seems just.

Date: July 7, 2014

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# TAB 2

Court File No. CV-14-10585-00CL

*Ontario*  
**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

STANBARR SERVICES LIMITED, JANODEE INVESTMENTS LTD., MEADOWSHIRE INVESTMENTS LTD., REGARD INVESTMENTS LTD., 1563503 ONTARIO LIMITED, BEAVER POND INVESTMENTS LTD., THE CANADA TRUST COMPANY, RITA ROSENBERG AND 527540 ONTARIO LIMITED

Applicants

- and -

METROPOLIS PROPERTIES INC.

Respondent

**FIRST REPORT OF THE RECEIVER**

**INTRODUCTION AND BACKGROUND**

1) MNP Ltd. ("**MNP**") was appointed Receiver, without security, of the properties municipally known as 91-93 Scollard Street, Toronto (the "**Property**") then owned by Metropolis Properties Inc. (the "**Debtor**"), pursuant to the Order of the Honourable Justice Brown of the Ontario Superior Court of Justice (the "**Court**") dated June 16, 2014 (the "**Appointment Order**"). Attached hereto and marked as **Appendix "A"** is a copy of the Appointment Order.

**PURPOSE OF THE FIRST REPORT**

2) The purpose of the Receiver's first report to Court (the "**First Report**") is as follows:  
a) Report to the Court on the activities of the Receiver since its appointment, particularly with respect to the taking of possession and control of the Property and obtaining information and cooperation from the Debtor in order for the Receiver to carry out its mandate;

- b) To request confirmation of the Receiver's appointment in light of the events described herein that have transpired since the of the Appointment Order; and,
- c) Such other relief as the Court deems just.

## **BACKGROUND**

- 3) As provided in the application materials for the appointment of the Receiver:
  - a) the Debtor is a corporation incorporated pursuant to the *Canada Business Corporations Act* that has its registered head office in Concord, Ontario.
  - b) The Property is encumbered by 12 mortgages. The applicants in this proceeding comprise the 2<sup>nd</sup> through 12<sup>th</sup> mortgagees (the "Applicants").
  - c) All of the 2<sup>nd</sup> through 12<sup>th</sup> mortgages are in default, and have been since early 2013.
  - d) the Applicants have made demand, and issued section 244 notices as of June 4, 2014.
  - e) In total, the 2<sup>nd</sup> through 12<sup>th</sup> mortgages secure indebtedness totaling \$5,724,210.70 as at June 4, 2014.
  - f) The 1<sup>st</sup> ranking mortgagee, Canada Investment Corporation ("CIC") is related to the Debtor.
  - g) The 1<sup>st</sup> mortgagee delivered a Notice of Attornment of rents, and it is believed that this mortgage is also in default.
  - h) The 1<sup>st</sup> mortgagee was applying funds received from the attornment of rents against realty taxes arrears on the Property.

## **RECEIVER'S INITIAL ACTIVITIES**

- 4) On June 17, 2014, the Receiver sent a letter by email to Orié Niedzviecki, counsel to the Debtor, requesting the necessary information for the Receiver to carry out its duties including the management of the Property (the "**Initial Information Request**"). A copy of the Initial Information Request is attached hereto as **Appendix "B"**.
- 5) In an email on June 17, 2014 Mr. Niedzviecki responded to the Receiver's Initial Information Request. In this email Mr. Niedzviecki advised that he could not confirm the address of the Debtor or a contact person for the Debtor due to solicitor client

privilege. Mr. Niedzviecki also advised that he would forward the Initial Information Request to the Debtor. A copy of the June 17, 2014 email exchange between the Receiver and Mr. Niedzviecki is attached hereto as **Appendix "C"**.

#### ***Cancelled Meetings by the Debtor***

- 6) On the morning of Friday June 20, 2014 Mr. Niedzviecki sent an email to the Receiver requesting a meeting with the Receiver and his client to be held on Monday June 23, 2014. The Receiver accepted this meeting request.
- 7) On the evening of June 22, 2014 Mr. Niedzviecki sent the Receiver an email to confirm his client was unable to attend the meeting scheduled for June 23<sup>rd</sup>. A copy of the email exchanges between the Receiver and Mr. Niedzviecki in respect of the cancelled June 23<sup>rd</sup> meeting is attached as **Appendix "D"**.
- 8) On June 24, 2014 Mr. Niedzviecki requested a meeting between his client and the receiver to be held on June 26, 2014. The Receiver accepted this meeting request.
- 9) On June 25, 2014 at 5:03 PM Mr. Niedzviecki sent the Receiver an email to confirm that his client would not be attending the meeting scheduled for June 26<sup>th</sup>. A copy of the email exchanges between the Receiver and Mr. Niedzviecki in respect of the cancelled June 26<sup>th</sup> meeting is attached as **Appendix "E"**.
- 10) It should be noted that despite repeated requests from the Receiver Mr. Niedzviecki would not disclose the name(s) of the representative(s) for his client.
- 11) Mr. Niedzviecki has not contacted the Receiver since his email of June 26<sup>th</sup> when he advised that he would try to schedule a meeting for the following week.
- 12) To the date of writing this report, the Debtor has not provided any of the information requested in the Initial Information Request.
- 13) Due to the outstanding reporting from the Debtor, at this time the Receiver is unable to provide a complete report to the Court as requested in the Endorsement of Justice Brown dated June 16, 2014.

#### ***Taking Possession of the Property***

- 14) The Property contains five (5) occupied commercial units; one (1) vacant residential unit and one (1) vacant basement unit which includes the primary utility room for the Property;

- 15) On June 17, 2014, the Receiver's staff attended at the Property to take possession including: (i) serving representatives of each of the five (5) commercial tenants with the Appointment Order and explaining the duties of the Receiver including providing instructions to pay monthly rents to the Receiver.
- 16) As noted above, the Debtor did not provide the Receiver with any information requested in the Initial Information Request including copies of leases for the five (5) occupied commercial units. Therefore, the Receiver has requested copies of these leases from the tenants. To date, the Receiver has obtained copies of four (4) of these five (5) commercial leases.
- 17) The Receiver has collected rent for the month of July 2014 from each of the five (5) commercial retail tenants in the total amount of approximately \$27,494.32 inclusive of HST.
- 18) The Receiver's other actions since taking possession include:
- a) Notifying the City of Toronto of the Receivership and requesting a statement of outstanding property taxes in respect of the Property and to arrange for accounts to be opened in the name of the Receiver;
  - b) Notifying the respective utility providers to determine the status of accounts for the vacant units and common areas and to arrange for corresponding accounts be opened in the name of the Receiver;
  - c) Arranged insurance for the Property;
  - d) Prepared and filed the Notice and Statement of Receiver pursuant to s.245 and s.246 of the *Bankruptcy and Insolvency Act* (the "Act"). Attached as **Appendix "F"** is a copy of the Notice;
  - e) Contacted former legal counsel to the Company requesting details of any funds held on behalf of the Company;



### ***The Vacant Residential Unit***

- 19) Several representatives of the commercial retail tenants advised the Receiver's staff that the residential unit of the Property had been occupied by Property manager Grant Erlick until he vacated these premises in early June of 2014 or approximately two weeks prior to the Appointment Order.
- 20) On June 19, 2014 the Receiver made arrangements to change the locks on the vacant residential and basements units of the Property.
- 21) The Receiver's initial inspection of the vacant residential unit on June 19<sup>th</sup> confirmed the following:
- a) The entrance to the residential unit is on the second floor of the building. This unit is approximately 2500 square feet and features three (3) floors including: a large open concept kitchen and living room with a fire place, approximately 4 bedrooms and 4 bathrooms, a sauna, a balcony and a bar.
  - b) There is very serious water damage throughout the residential unit. Most significantly there is a pool of standing water on the second floor of this unit approximately three (3) feet wide by six (6) feet in length with a depth of approximately two 2 to 4 (four) inches. Other water damage includes missing dry wall and significantly rusted steel framing.
  - c) It appears that a portion of the residential unit on the second floor containing the above noted pool of water may have been used to operate a small grow op (the "Grow Op Area"). Items found in the Grow Op Area by the Receiver's staff include: a large bag of soil; approximately 20 flower pots containing soil, but no plants, approximately 200 square foot section of floor tiled with rubber tiles; approximately four feet of electrical wiring hard wired through an electrical outlet; a curtain wall enclosing the entire Grow Op Area and as noted above there is significant water/moisture damage throughout the residence, but particularly most significantly in the Grow Op Area. Photographs of the items found in the Grow Op area are attached hereto as **Appendix "G"**.

22) On June 20, 2014 the Receiver reported its findings with respect to the suspected Grow Op to the Financial Crimes Unit - Corporate Section of the Toronto Police Service. The Receiver's report included the above noted pictures of the Grow Op Area (Appendix G).

#### **INTERFERENCE WITH TAKING POSSESSION AND CONTROL**

23) On June 26, 2014, the Receiver's staff attended at the Property to complete a further inspection of the Property in order to assess the scope of repairs needed.

24) On June 26, 2014 the Receiver's staff found that the locks to the vacant residential and basements units had been changed. In addition, copies of a letter dated June 23, 2014 from solicitor Jonathane Ricci were posted on the entrance doors to these units.

25) The June 23<sup>rd</sup> letter from Mr. Ricci advises that ownership of the Property was transferred to a new registered owner, 2413913 Ontario LTD, under Power of Sale from the entitled transferor Canada Investment Corporation, the 1<sup>st</sup> Mortgagee, effective June 6, 2014. A copy of this letter is attached hereto as **Appendix "H"**.

26) On June 27, 2014 the Receiver's staff made arrangements to again change the locks of the vacant residential and basement units. At this time the Receiver also posted notices on the entrance doors to these units confirming that entry to these units without permission of the Receiver is unlawful and in violation of the Appointment Order and that the Receiver's office should be contacted for additional information. A Copy of the door notice posted by the Receiver's staff is attached hereto as **Appendix "I"**.

27) On July 2, 2014 the Receiver's staff attended at the Property in response to calls from the retail tenants who reported that the Receiver's door notices had been removed. At this time the locks to the vacant units were not changed.

28) On July 4, 2014, the retail tenants reported to the Receiver's staff that individuals who advised they were contractors hired by the new owners had arrived at the property that morning and drilled the locks to the vacant residential and basement units and entered.

29) The above noted individuals would identify themselves to the representatives of the retail tenants and did not contact the Receiver.

30) As of the evening of July 4, 2014, the locks to the vacant basement and residential remained drilled and unlocked.

### **CREDITORS**

31) The Receiver requested a list of the creditors in its Initial Information Request, but as noted above none of the information requested by the Receiver has been provided by the Debtor.

### **CONCLUSION**

32) The Receiver respectfully requests that this Court issue an Order:

- a) An order confirming the appointment of MNP Ltd. (the "**Receiver**") as Receiver of the property municipally known as 91-93 Scollard Street, Toronto, Ontario (the "**Scollard Property**");
- b) An order requiring Canada Investment Corporation to produce to the Receiver its entire file (including that of its lawyer) in connection with the sale of the Scollard Property on June 6, 2014;
- c) An order requiring Canada Investment Corporation to provide to the Receiver a full and complete accounting of the June 6, 2014 sale of the Scollard Property;
- d) An order requiring the payment of the sale proceeds to the Receiver pending further order of the Court;
- e) An order setting a timetable for the hearing of a motion to set aside the sale transaction;
- f) An order vacating the September 17, 2014 application date in court file no. CV-14-5058351;
- g) Approving the Receiver's First Report and the actions of the Receiver set out therein; and
- h) Such further and other relief as this Court deems just.

All of which is respectfully submitted this 7<sup>th</sup> day of July, 2014.

**MNP Ltd.**  
**Court-appointed Receiver of**  
**91-93 Scollard Street, Toronto**

Per: 

Mark Thomson, CPA, CMA, CIRP

# APPENDIX A

STANBARR SERVICES LIMITED ET AL.

Applicants

METROPOLIS PROPERTIES INC.

and

Respondent

Court File No. CV-14-10585-00CL

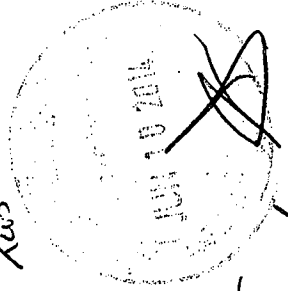
June 16/14.

D. Bourassa for applicant  
D. Niedzielski

This application is to be heard on June 16/14 (Ems.). The respondent ~~is~~ not to encumber, sell or otherwise dispose of this property pending the hearing of this application. The applicant ~~is~~ requiring a copy of this endorsement in witness-hall J. where further forthwith.

June 16/14

The respondent does not appear. The First H. al- though served, did not appear. Order to go in accordance with draft filed. The respondent has commenced a procedure, attacking the validity of the 1st mortgage and a hearing date is set for Sept 17/14. I will not vacate that date at this time, but I would ask the Receiver to report to this court by mid-July as to the date date should be prescribed or some other course of action is appropriate.



*[Signature]*  
D.H. BROWN

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

*and the first mortgage are*

APPLICATION RECORD

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Lawyers for the Applicants

Court File No. CV-14-10585-00CL



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

THE HONOURABLE

) <sup>16th</sup> MONDAY WEDNESDAY, THE 1<sup>st</sup> DAY

JUSTICE *BROWN*

)  
)  
)

OF JUNE, 2014

STANBARR SERVICES LIMITED, JANODEE INVESTMENTS LTD.,  
MEADOWSHIRE INVESTMENTS LTD., REGARD INVESTMENTS LTD., 1563503  
ONTARIO LIMITED, BEAVER POND INVESTMENTS LTD., THE CANADA TRUST  
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Applicants

- and -

METROPOLIS PROPERTIES INC.

Respondent

ORDER  
(Appointing Receiver)

THIS APPLICATION made by the Applicant 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. as receiver and manager (in such capacities, the "Receiver") without security, over the property municipally known as 91-93 Scollard Street, Toronto owned by Metropolis Properties Inc. (the "Debtor") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Harvey Margel and on hearing the submissions of counsel for the Applicant, no one appearing for the Respondent for the 1<sup>st</sup> mortgagee, although duly served as appears from the affidavit of service of Neil Haigh sworn June 10, 2014 and

*on hearing from counsel for the Respondent that the Application is not opposed* ✓ *TS.*

Aldona Cybulski sworn June 10, 2014 and on reading the consent of MNP Ltd. to act as the Receiver,

### **SERVICE**

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

### **APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, MNP Ltd. is hereby appointed Receiver, without security, of the properties municipally known as 91-93 Scollard Street, Toronto (the "**Property**") and legally described at Schedule 'A' of the Notice of Application including all proceeds and rents related thereto.

### **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 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 Debtor in respect of the Property, including the powers to enter into any agreements, including



lease 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 Debtor including real property leases;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the 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 Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) 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 Debtor, 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;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) 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 \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; 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, and in each case the Ontario *Bulk Sales Act* shall not apply.
- (m) 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;
- (n) 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;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) 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 Debtor;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) 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 Debtor, and without interference from any other Person.

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

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its 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 Debtor, 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 DEBTOR OR THE PROPERTY**

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor 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 Debtor 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 Debtor, 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 nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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 the Debtor, 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 Debtor 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 Debtor 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 Debtor's 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 Debtor 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.

#### **RECEIVER TO HOLD FUNDS**

12. **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**

13. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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*.

14. **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 Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

15. **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**

16. **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

17. **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.

18. **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.

19. **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

20. **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 \$100,000.00 (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.

21. **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.

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

23. **THIS COURT ORDERS** that the monies from time to time borrowed by the 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.

#### **GENERAL**

24. **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.

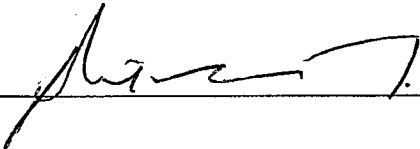
25. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. **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.

27. **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.

28. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, 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 substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. **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.



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

JUN 16 2014



**SCHEDULE "A"**

**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of the properties municipally known as 91-93 Scollard Street, Toronto appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 2nd day of June, 2014 (the "Order") made in an application having Court file number CV-14-10451-00CL, 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 (as defined in the Order), 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 defined in the Order) 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 \_\_\_\_\_, 2014.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

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

Name:

Title:

**STANBARR SERVICES LIMITED ET AL.**

Applicants

and

**METROPOLIS PROPERTIES INC.**

Respondent

Court File No.

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

Proceedings commenced at TORONTO

**RECEIVERSHIP ORDER**

**CHAITONS LLP**  
Barristers and Solicitors  
5000 Yonge Street, 10th Floor  
Toronto, ON M2N 7E9

**DOUG BOURASSA**  
LSUC Registration No. 50315C  
Tel: (416) 218-1145  
Fax: (416) 218-1845

Lawyers for the Applicants

## **APPENDIX B**

June 17, 2014

VIA EMAIL TO: [orie@ellynlaw.com](mailto:orie@ellynlaw.com)

Mr. Orie H. Niedzviecki  
Ellyn Law LLP  
20 Queen Street West, Suite 3000  
Toronto, Ontario, Canada M5H 3R3  
(416) 368-0485 Fax (416) 368-2982

Dear Mr. Niedzviecki:

**RE: Metropolis Properties Inc. and 91-93 Scollard Street, Toronto**

As you are aware, pursuant to the Order of Justice Brown dated June 16, 2014 (the "**Order**"), MNP Ltd. ("**MNP**" or the "**Receiver**") was appointed Receiver of the properties municipally known as 91-93 Scollard Street, Toronto (the "**Property**") as legally described in the Order (copy enclosed) owned by Metropolis Properties Inc. (the "**Company**"). Accordingly, we hereby request the following preliminary documents/information with respect to the Property and the Company.

Organization and Management Structure

- The location of the Company office and contact information for Company management at this office;
- Copy of current corporate organization chart, including ownership structure and shareholdings/% ownership of each party;
- Copy of management organizational structure, including names, titles, etc...; and,
- Contact information for property manager and/or property management company, if applicable.

Current Financial Information

- Rent roll including complete contact information for all commercial and residential tenants of the Property and full details of rental payments including due dates and a complete breakdown of amounts (the "**Rent Roll**");
- Listing of any rent arrears by tenant and complete details of same;
- Listing of all bank accounts for the Property and the Company including account numbers and name of financial institution;
- Copies of bank statements and corresponding bank account reconciliations for each of the last 12 months ended June 2014 for each of the above noted accounts;
- Details of any petty cash;
- Details of any holdings in the safe;
- Aged accounts receivable listings;
- Inventories of furniture, fixtures and equipment;
- Identification of any assets belonging to third parties;
- Details of any prepaid expenses;
- Capital asset subledger, on an asset by asset basis with book values and location;
- Aged accounts payable listing; and,
- Monthly income statements for the last 12 months.

### Other Financial Information

- The location of the Company office and contact for the Company;
- The Company computers and all electronic books and records for Company as set out in paragraph 5 of the Order (the "**Computer Records**").
- Copies of externally prepared financial statements for the last three (3) years;
- Copies of most recent internally prepared financial statements;
- Copies of federal and corporate tax returns for the last three (3) years and corresponding statements of account;
- Copies of any available cash flows or financial forecasts and corresponding assumptions and back-up documentation; and,
- Details of any licenses or trademarks or other intellectual property owned by the Company and details of status (ownership, registration, dates of renewal), if applicable;

### Priority Claims

- Details of mortgage financing and details of the status of each;
- Copies of realty tax bills and proof of payment of same;
- Listing of employees if any, most recent payroll register;
- Copies of last three (3) returns for payroll source deductions and proof of payment of same and copy of most recent statement of account from Canada Revenue Agency ("**CRA**").
- Copies of last three (3) GST/HST returns and proof of payment for same and copy of most recent statement of account from CRA.
- Copy of 2013 T4 summary; and,
- Status of all utility accounts including hydro, gas, water, telephone, cable, internet etc... as applicable and copies of most recent invoices/statements of account for each.

### Contracts and Reports and Other Information

- Copies of all insurance policies (including building, contents, liability, innkeepers, worker's compensation, all necessary additional insured) and most recent installments and statements of account for each (the "**Insurance Records**");
- Copies of current/most recent leases for all residential and commercial tenants;
- Listing of all property management service providers and copies of all corresponding contracts with same (cleaning, landscaping, plumbing, maintenance etc...);
- A listing of any leased equipment and copies of corresponding contracts/lease agreements for same;
- Details of any agreements or contracts with related parties (individuals or companies);
- Copies of most recent property and equipment appraisals as applicable;
- Copies of any reports from engineers or environmental consultants;
- A listing of any ongoing or pending litigation involving the Company and/or Property and copies of all documentation in relation to same;
- A listing and full details of any landlord tenant issues and copies of all correspondence thereon; and,
- Listing of any Company credit cards and location/who has them.



We require the Rent Roll, Insurance Records, Computer Records and contact information for the Company and Property Management Company immediately and by no later than Friday June 20<sup>th</sup>. The balance of the above noted information is required as soon as possible and by no later than Friday June 27<sup>th</sup>. If possible, please provide this information by way of email in electronic or PDF format to: Mark Thomson ([mark.thomson@mnp.ca](mailto:mark.thomson@mnp.ca)) with a copy to Alan Shiner ([alan.shiner@mnp.ca](mailto:alan.shiner@mnp.ca)).

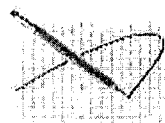
Please advise if you have any questions.

Yours truly,

MNP LTD.

  
Per:  
Mark Thomson

## **APPENDIX C**



"Orie Niedzviecki" <orie@ellynlaw.com>

17/06/2014 03:02 PM

To <Mark.Thomson@mnt.ca>  
 cc <Alan.Shiner@mnt.ca>  
 bcc  
 Subject RE: Metropolis Properties Inc.

Mr. Thomson:

I have forwarded your letter to Metropolis for response. I do not have any knowledge of the attornment of rents. The Applicants indicated in their affidavit that it was the first mortgagee who had attorned the rents. I must assume that the identities of the mortgagees are found in a title search of the property and that their addresses can then be found in a follow up corporate search.

I cannot confirm the location of any office of Metropolis or contact information for its management due to solicitor client privilege.

**Orie H. Niedzviecki, B.Sc. (Hons.), M.A., J.D.**  
 Partner, Licensed in Ontario and the District of Columbia

**ELLYN LAW LLP**

*Business Litigation & Arbitration Lawyers*  
*Avocats en litige et arbitrage commercial*

20 Queen Street West, Suite 3000  
 Toronto, Ontario, Canada M5H 3R3  
 (416) 368-0485 Fax (416) 368-2982  
[orie@ellynlaw.com](mailto:orie@ellynlaw.com) [www.ellynlaw.com](http://www.ellynlaw.com)

This message is privileged and intended only for the addressee. If you receive it in error, please return it without printing it or making a copy. Thank you. Ce message est privilégié et est uniquement à l'attention du destinataire projeté. Si vous l'avez reçu en erreur, veuillez la retourner sans l'imprimer et sans faire une copie. Merci.

**From:** Mark.Thomson@mnt.ca [mailto:Mark.Thomson@mnt.ca]  
**Sent:** Tuesday, June 17, 2014 2:41 PM  
**To:** Orie Niedzviecki  
**Cc:** Alan.Shiner@mnt.ca  
**Subject:** Metropolis Properties Inc.

Mr. Niedzviecki,

Please find enclosed our letter of even date. As you are aware MNP Ltd. was appointed receiver of the property located at 91 93 Scollard Street, Toronto which is owned by Metropolis Properties Inc. (copies of the appointment order are enclosed). We understand that one of the mortgagees for the property has requested/completed an attornment of rents from the tenants of this property. Accordingly, please forward contact information for this mortgagee and/or its representatives.

Please also confirm the location of the office for Metropolis Properties Inc. and contact information for

company management at this location.

Regards,

**Mark Thomson, CPA, CMA, CIRP**  
VICE PRESIDENT, CORPORATE RESTRUCTURING

**DIRECT 647.943.4039**  
FAX 416.323.5242  
111 Richmond Street West  
Suite 300  
Toronto, ON  
M5H 2G4  
[mark.thomson@mnp.ca](mailto:mark.thomson@mnp.ca)  
[mnpdebt.ca](http://mnpdebt.ca)

**MNP**  
LTD

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**APPENDIX D**



"Orie Niedzviecki" <orie@ellynlaw.com>  
22/06/2014 07:18 PM

To <Mark.Thomson@mnp.ca>  
cc  
Subject Re: Metropolis - meeting on Monday 9  
am ?

Mark:

Sorry. Just heard my client can't make it. Trying to get alternate times to you.

Sent from my iPhone

On Jun 20, 2014, at 7:09 PM, "[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)" <[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)> wrote:

Hi Orie,

Please advise whether or not you and your client will be attending at our offices at 9 am on Monday for the meeting you have requested.

Regards,

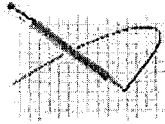
**Mark Thomson, CPA, CMA, CIRP**  
VICE PRESIDENT, CORPORATE RESTRUCTURING

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g>

**DIRECT 647.943.4039**  
FAX 416.323.5242  
111 Richmond Street West  
Suite 300  
Toronto, ON  
M5H 2G4  
[mark.thomson@mnp.ca](mailto:mark.thomson@mnp.ca)  
[mnpdebt.ca](http://mnpdebt.ca)

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## **APPENDIX E**



"Orle Niedzviecki" <orie@ellynlaw.com>  
25/06/2014 05:03 PM

To <Mark.Thomson@mnp.ca>  
cc  
Subject Re: Metropolis - meeting (outstanding information)

Mark:

My client just advised they will not be attending tomorrow due to a medical issue. I will try to get some times for next week.

Sent from my iPhone

On Jun 24, 2014, at 4:20 PM, "[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)" <[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)> wrote:

Orle,

Please provide contact information for the representative(s) of your client so that they can be permitted access to our offices on Thursday morning.

Regards,

**Mark Thomson, CPA, CMA, CIRP**  
VICE PRESIDENT, CORPORATE RESTRUCTURING

<mime-attachment.jpg>

**DIRECT 647.943.4039**  
FAX 416.323.5242  
111 Richmond Street West  
Suite 300  
Toronto, ON  
M5H 2G4  
[mark.thomson@mnp.ca](mailto:mark.thomson@mnp.ca)  
[mnpdebt.ca](http://mnpdebt.ca)

From: "Orle Niedzviecki" <[orie@ellynlaw.com](mailto:orie@ellynlaw.com)>  
To: <[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)>  
Date: 24/06/2014 04:08 PM  
Subject: Re: Metropolis - meeting (outstanding information)

Mark:

I won't be there. But I will relay the information to my client.



Sent from my iPhone

On Jun 24, 2014, at 3:32 PM, "[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)" <[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)> wrote:

Orie,

Thank you. I confirm that we will meet with you and your client at our offices this Thursday June 26th at 11:30 am. I will forward a calendar invitation to you (and to your client if you forward an email address).

Regards,

**Mark Thomson, CPA, CMA, CIRP**  
VICE PRESIDENT, CORPORATE RESTRUCTURING

<mime-attachment.jp  
g>

**DIRECT 647.943.4039**  
FAX 416.323.5242  
111 Richmond Street West  
Suite 300  
Toronto, ON  
M5H 2G4  
[mark.thomson@mnp.ca](mailto:mark.thomson@mnp.ca)  
[mnpdebt.ca](http://mnpdebt.ca)

From: "Orie Niedzwiecki" <[orie@ellynlaw.com](mailto:orie@ellynlaw.com)>  
To: <[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)>  
Cc: <[Alan.Shiner@mnp.ca](mailto:Alan.Shiner@mnp.ca)>  
Date: 24/06/2014 02:01 PM  
Subject: RE: Metropolis - meeting (outstanding information)

Mark:

My client would like to meet with you on Thursday at 11:30 a.m.

**Orie H. Niedzwiecki, B.Sc. (Hons.), M.A., J.D.**  
Partner, Licensed in Ontario and the District of Columbia

<mime-attachment.jpg>

*Business Litigation & Arbitration Lawyers*

*Avocats en litige et arbitrage commercial*

20 Queen Street West, Suite 3000  
Toronto, Ontario, Canada M5H 3R3  
(416) 368-0485 Fax (416) 368-2982  
[orie@ellynlaw.com](mailto:orie@ellynlaw.com) [www.ellynlaw.com](http://www.ellynlaw.com)

This message is privileged and intended only for the addressee. If you receive it in error, please return it without printing it or making a copy. Thank you.

**From:** [Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca) [mailto:[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)]  
**Sent:** Tuesday, June 24, 2014 10:30 AM  
**To:** Orie Niedzviecki  
**Cc:** [Alan.Shiner@mnp.ca](mailto:Alan.Shiner@mnp.ca)  
**Subject:** Metropolis - meeting (outstanding information)

Orie,

Please give us an update on your timing for the meeting you have requested.

Please also advise when we will receive the information requested in our letter of June 17th (copy again enclosed).

Regards,

**Mark Thomson, CPA, CMA, CIRP**  
VICE PRESIDENT, CORPORATE RESTRUCTURING

<mime-attachment.jp  
g>

**DIRECT 647.943.4039**  
FAX 416.323.5242  
111 Richmond Street West  
Suite 300  
Toronto, ON  
M5H 2G4  
[mark.thomson@mnp.ca](mailto:mark.thomson@mnp.ca)  
[mnpdebt.ca](http://mnpdebt.ca)

From: "Orie Niedzviecki" <[orie@ellynlaw.com](mailto:orie@ellynlaw.com)>  
To: <[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)>

Date: 22/06/2014 07:18 PM  
Subject: Re: Metropolis - meeting on Monday 9 am ?

Mark:

Sorry. Just heard my client can't make it. Trying to get alternate times to you.

Sent from my iPhone

On Jun 20, 2014, at 7:09 PM, "[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)" <[Mark.Thomson@mnp.ca](mailto:Mark.Thomson@mnp.ca)> wrote:

Hi Orie,

Please advise whether or not you and your client will be attending at our offices at 9 am on Monday for the meeting you have requested.

Regards,

**Mark Thomson, CPA, CMA, CIRP**  
VICE PRESIDENT, CORPORATE RESTRUCTURING

<mime-attachment.jpg>

**DIRECT 647.943.4039**  
FAX 416.323.5242  
111 Richmond Street West  
Suite 300  
Toronto, ON  
M5H 2G4  
[mark.thomson@mnp.ca](mailto:mark.thomson@mnp.ca)  
[mnpdebt.ca](http://mnpdebt.ca)

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## **APPENDIX F**

**NOTICE OF AND STATEMENT OF THE RECEIVER  
(SUBSECTIONS 245(1) AND 246(1) OF THE ACT)**

**IN THE MATTER OF THE RECEIVERSHIP OF  
91-93 SCOLLARD STREET  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO**

**TAKE NOTICE THAT:**

1. On June 16, 2014, MNP Ltd. became the receiver and manager (the "**Receiver**") in respect of the property municipally known as 91-93 Scollard Street, Toronto (the "**Property**") owned by Metropolis Properties Inc. (the "**Debtor**"). The Property is described below:
  - a. A multi-unit commercial/residential property located at 91-93 Scollard Street, in Toronto, Ontario.The book value of the Assets is not known at this time.
2. MNP became a receiver by virtue of being appointed by the Ontario Superior Court of Justice.
3. The undersigned took possession or control of the Property described above on the 17<sup>th</sup> day of June, 2014, and attended at the Property on the same date.
4. The following information relates to the receivership:
  - a. The current address of the Debtor is to be confirmed;
  - b. The list of creditors who hold security on the Property is attached as **List "A"**. The amount owed to each creditor who holds security on the Property is to be confirmed;
  - c. The list of other creditors of the Debtor in respect of the Property and the amount owed to each creditor is not known, however the Receiver has set out in **List "B"** the utility providers and tax authorities in respect of the Property that have been provided with a copy of this notice; and,
  - d. The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is to realize on the Property.

Contact person for the Receiver:

Attention: Mark Thomson

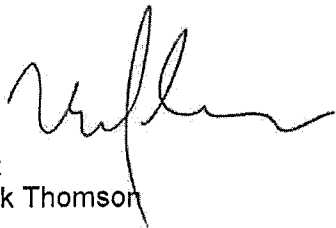
Fax: (416) 323-5242

Email: mark.thomson@mnp.ca

Dated at Toronto this 26<sup>th</sup> day of June, 2014

**MNP Ltd.**

In its capacity as Court-Appointed Receiver of  
91-93 Scollard Street, Toronto and not in its personal  
or corporate capacity

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

Per:  
Mark Thomson

IN THE MATTER OF THE RECEIVERSHIP OF  
91-93 SCOLLARD STREET, TORONTO

List "A"

Creditor	Address	City	Province	Postal Code	Amount
Stanbarr Services Limited c/o Chaitons LLP	5000 Yonge St. 10th Floor	Toronto	ON	M2N 7E9	unknown
Janodee Investments Ltd. c/o Chaitons LLP	5000 Yonge St. 10th Floor	Toronto	ON	M2N 7E9	unknown
Meadowshire Investments Ltd. c/o Chaitons LLP	5000 Yonge St. 10th Floor	Toronto	ON	M2N 7E9	unknown
Regard Investments Ltd. c/o Chaitons LLP	5000 Yonge St. 10th Floor	Toronto	ON	M2N 7E9	unknown
1563503 Ontario Ltd. c/o Chaitons LLP	5000 Yonge St. 10th Floor	Toronto	ON	M2N 7E9	unknown
Beaver Pond Investments Ltd. c/o Chaitons LLP	5000 Yonge St. 10th Floor	Toronto	ON	M2N 7E9	unknown
Rita Rosenberg c/o Chaitons LLP	5000 Yonge St. 10th Floor	Toronto	ON	M2N 7E9	unknown
527540 Ontario Ltd. c/o Chaitons LLP	5000 Yonge St. 10th Floor	Toronto	ON	M2N 7E9	unknown
The Canada Trust Company c/o Chaitons LLP	5000 Yonge St. 10th Floor	Toronto	ON	M2N 7E9	unknown
Canada Investment Corporation	665 Millway Avenue, Unit 57	Concord	ON	L4K 3T8	unknown

IN THE MATTER OF THE RECEIVERSHIP OF  
91-93 SCOLLARD STREET, TORONTO

List "B"

Creditor	Address	City	Province	Postal Code	Amount
Toronto Hydro	PO Box 5960	London	ON	N6A 6C4	unknown
Enbridge Gas	PO Box 650	Scarborough	ON	M1K 5E3	unknown
City of Toronto (190405229002300000001)	5100 Yonge Street	Toronto	ON	M2N 5V7	unknown
Canada Revenue Agency	451 Talbot St., 3rd Floor, PO Box 5548	London	ON	N6A 4R3	unknown
Minister of Finance	33 King Street W., 6 <sup>th</sup> Floor	Oshawa	ON	L1H 8H5	unknown

## **APPENDIX G**











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56







## **APPENDIX H**



# The Law Office of Jonathane Ricci

Licensed to practice law in Ontario, New York and Michigan  
Lawyer, Barrister & Solicitor, Foreign Legal Consultant

59

June 22, 2014

To Whom It May Concern:

**RE: 2413913 ONTARIO LTD. - NEW OWNER OF THE PROPERTY LOCATED AT 91-93  
SCOLLARD STREET, TORONTO ONTARIO**

I am the solicitor for 2413913 ONTARIO LTD and this is to inform you that the ownership of the property located at 91-93 Scollard Street, Toronto Ontario transferred to a new registered owner 2413913 ONTARIO LTD under Power of Sale from the entitled transferor Canada Investment Corporation. New ownership has been in effective as of June 6<sup>th</sup>, 2014.

All communication regarding leases, rules and regulation should be directed to the new owner as mentioned above. All matters are handled by Mr. Shervin Kermani or person of his choice as Director of 2413913 ONTARIO LTD.

Please make a note of the same for further perusal.

This letter shall constitute good and sufficient of the contents hereof.

Jonathane Ricci

JR:mv

E & OE

Head Office:  
25 Mallard Road  
Toronto, Ontario M3B 1S4  
Tel: 647.260.4863 - Fax: 416.342.1784  
Email: info@jonathaneRicci.com

Yonge Office:  
3230 Yonge Street, Suite 200  
Toronto, Ontario M4N 3P6  
Tel: 647.260.4863 - Fax: 416.342.1784

Michigan Office:  
935 Griswold Street, Suite 208  
Detroit, Michigan 48226  
Tel: 313.254.4907 - Fax: 313.279.6971

# APPENDIX I



## NOTICE

**RE: Receivership of 91-93 Scollard Street, Toronto (Court File No. CV-14-10585-00CL)**

Pursuant to the court order of Justice Brown dated June 16, 2014 (the "**Court Order**") MNP Ltd. ("**MNP**" or the "**Receiver**") was appointed Receiver of the properties municipally known as 91-93 Scollard Street, Toronto (the "**Property**").

A copy of the Court Order is available from the Receiver's website at: [MNPdebt.ca](http://MNPdebt.ca) under the heading: Corporate Engagements and then: 91-93 Scollard Street, Toronto

Please be advised that entry to these premises without permission from the Receiver is unlawful and in violation of the Court Order.

For further information on this matter please contact Mark Thomson at: Email: [mark.thomson@mnp.ca](mailto:mark.thomson@mnp.ca)

Yours truly,

MNP LTD.

Court Appointed Receiver for 91-93 Scollard Street, Toronto  
and not in its personal or corporate capacity

Per:  
Mark Thomson

# **TAB 3**

Court File No. CV-14-10585-00CL

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

**STANBARR SERVICES LIMITED, JANODEE INVESTMENTS LTD.,  
MEADOWSHIRE INVESTMENTS LTD., REGARD INVESTMENTS LTD., 1563503  
ONTARIO LIMITED, BEAVER POND INVESTMENTS LTD., THE CANADA TRUST  
COMPANY, RITA ROSENBERG and 527540 ONTARIO LIMITED**

Applicant

- and -

**METROPOLIS PROPERTIES INC.**

Respondent

APPLICATION UNDER Sections 47(1) and 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.

**AFFIDAVIT OF HARVEY MARGEL**

I, **HARVEY MARGEL**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the lawyer for the Applicants, Stanbarr Services Limited ("**Stanbarr**"), Janodee Investments Ltd. ("**Janodee**"), Meadowshire Investments Ltd. ("**Meadowshire**"), Regard Investments Ltd. ("**Regard**"), 1653503 Ontario Limited ("**165**"), Beaver Pond Investments Ltd. ("**Beaver Pond**"), The Canada Trust Company ("**Canada Trust**"), and Rita Rosenberg ("**Rosenberg**"), (collectively the "**Clients**" or "**Mortgagees 2 through 11**"). I am not the lawyer for 527540 Ontario Limited ("**527**"). I am advised by Harvey Fruitman (the principal of the beneficial owner of the majority interest in the 527 mortgage) concerning matters relating to 527's mortgage. I am advised by Doug Bourassa of Chaitons LLP, counsel for the Applicant in the Prior

Receivership Application (as defined herein) and the Applicants herein with respect to events that took place in each of those proceedings. As such, I have knowledge of the facts and matters hereinafter deposed to. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases I believe such information to be true.

2. This affidavit is sworn in support of a motion seeking confirmation of the Receiver's mandate and various other relief in respect of the property municipally known as 91 -93 Scollard Avenue (the "**Scollard Property**") which, until June 6, 2014 was owned by Metropolis Properties Inc. ("**Metropolis**" or the "**Debtor**").

#### **Overview**

3. On June 6, 2014, without notice to the Applicants, the Scollard Property was sold under power of sale. For the reasons described herein, the sale is suspicious and should be set aside. Among other things, the Clients were not served with the notice of sale. The property was never listed for sale. No accounting or funds have been delivered to the Clients. The Clients' mortgages have been deleted from title.

4. On June 11 and June 16, 2014, counsel for Metropolis appeared before this Court and never advised the Court that it no longer owned the Scollard Property.

5. The first mortgagee, Canada Investment Corporation, was served with the Application Record on June 10, 2014, and never responded or advised that it had already sold the property under power of sale.

6. On June 16, 2014, Justice Brown appointed MNP Ltd as receiver of the Scollard Property.



7. Some or all of the Respondents to this motion are in breach of the Court Order dated June 16, 2014, appointing MNP Ltd as Receiver of the Scollard Property. They have refused to cooperate with MNP Ltd to allow the Receiver to carry out its duties under the order.

8. The transactions described herein and the players who orchestrated them, are largely similar to the scheme perpetrated with respect to the property municipally known as 65 Malmo Court, Vaughan, Ontario.

**Mortgages and Prior Default**

9. The Scollard Property is a commercial and residential property. Attached hereto and marked as Exhibit "A" is a copy of the parcel register for the Scollard Property obtained from Service Ontario on June 4, 2014. As set out in the parcel register Metropolis acquired the Scollard Property on April 6, 2004 for a purchase price of \$950,000. Over the years, the Scollard Property has been subject to various mortgages, charges, transfers and assignments.

10. A summary of the state of title of the Scollard Property as of June 4, 2014 setting out the registered mortgages, the principal amount secured thereby, and their order of priority is as follows:

Mortgagee	Principal amount	Date registered
Canada Investment Corporation	\$1,200,000	May 4, 2004
Stanbarr	\$650,000	May 11, 2006
Janodee	\$470,000	July 11, 2006
Janodee, Meadowshire and Regard	\$300,000	July 13, 2007

Regard	\$65,000	March 2, 2007
Regard and 156	\$100,000	June 5, 2007
Regard	\$80,000	August 13, 2007
Regard	\$60,000	July 28, 2009
Janodee, Beaver Pond, Meadowshire, Regard and Canada Trust Company	\$410,000	July 28, 2009
Janodee, Regard, Meadowshire and Rotenberg	\$300,000	October 16, 2009
Regard	\$80,000	May 3, 2012
527540 Ontario Limited	\$1,650,000	July 24, 2012
2329916 Ontario Limited <sup>1</sup>	\$375,000	August 8, 2008

11. A number of the mortgages registered against the Scollard Property were also cross-collateralized against the property municipally known as 65 Malmo Court, Vaughan, Ontario (the “**Malmo Property**”).

#### **Demand Letters and s.244 Notices**

12. Metropolis has defaulted in making the monthly payments due under the Clients’ mortgages, as it has not made the monthly payments for the period February 2013 up to and including June 2014.

13. On June 4, 2014, on behalf of the Clients, I issued demand letters and Notices of Intention to Enforce Security (“**NITES**”) pursuant to section 244 of the BIA under cover of letter

<sup>1</sup> On June 3, 2014, counsel for Metropolis delivered funds to purchase an assignment of this mortgage on behalf of 2412233 Ontario Inc. To date, 2412233 Ontario Inc. has not made arrangements to complete this assignment.

dated June 4, 2014. Attached hereto and marked collectively as **Exhibit "B"** is a true copy of the demand letters and NITES.

### **Current Receivership**

14. Where I do not have personal knowledge of the events concerning the current receivership, I am advised by Doug Bourassa, counsel for the applicants in this proceeding of the relevant facts and believe that information is true.

15. On June 9, 2014 the within application was issued. The application was served on Metropolis and on Canada Investment Corporation on June 10, 2014 as evidenced by the affidavit of service attached hereto as **Exhibit "C"**. Courtesy copies of the application record were delivered to counsel who acted for Metropolis and for Canada Investment Corporation on the Prior Receivership Application.

16. On June 11, 2014, the matter came on for hearing before Justice Wilton-Siegel. His Honour adjourned the matter to June 16, 2014 at the request of counsel for Metropolis.

17. As a result of the conduct of Metropolis and Canada Investment Corporation in the Prior Receivership Application (as described herein), Justice Wilton-Siegel made the following endorsement:

This application to be heard on June 16/14 (2 hrs.). The respondent and the first mortgagee are not to encumber, sell or otherwise dispose of this property pending the hearing of such application. The application is to serve a copy of this endorsement on these parties forthwith.

Attached hereto as **Exhibit "D"** is a true copy of the endorsement of Justice Wilton-Siegel dated June 11, 2014.

18. The endorsement was served on Metropolis and Canada Investment Corporation that same day by e-mail to counsel. Attached hereto as **Exhibit "E"** is a true copy of the e-mail serving the endorsement.

19. On June 16, 2014, the matter came on for hearing before Justice Brown. Counsel for Metropolis advised the Court that his client was not opposing the appointment of the Receiver.

20. Counsel for Metropolis did make submissions regarding the form of the order, in particular, the effect of the provision in the Order that would stay the pending application brought by Metropolis regarding the 12<sup>th</sup> ranking mortgage in favour of 527540 Ontario Limited.

21. His Honour granted the relief sought, issued the receivership order, and made the following endorsement:

The Respondent does not oppose. The First M[ortgagee], although served, did not appear. Order to go in accordance with draft filed. The Respondent has commenced a proceeding attacking the validity of the 12<sup>th</sup> mortgage and a hearing date is set for Sept 17/14. I will not vacate that date at this time, but I would ask the Receiver to report to this Court by mid-July on whether that date should be preserved or some other course of action is appropriate.

Attached hereto as **Exhibit "F"** is a true copy of the endorsement of Justice Brown dated June 16, 2014.

### **Metropolis Non-Disclosure on Current Receivership**

22. The subsearch of the Scollard Property which was appended as an exhibit to my affidavit in the Application Record was conducted on June 4, 2014.

23. Unbeknownst to the Applicants, on June 6, 2014, Canada Investment Corporation sold the Scollard Property under power of sale for the stated sale price of \$5,875,000.00. Attached hereto as **Exhibit "G"** is a true copy of the Transfer: Power of Sale.

24. Notwithstanding service of the Application Record on Canada Investment Corporation, and on their counsel, the Applicants were not advised that the Scollard Property had been sold on June 6, 2014.

25. As noted above, Metropolis' counsel attended at Court before Justice Wilton-Siegel on June 11, 2014 and before Justice Brown on June 16, 2014. On neither attendance did Metropolis' counsel inform the Court that Metropolis no longer owned the Scollard Property.

26. Canada Investment Corporation did not attend or respond to the receivership application in any way, despite being served with the Application Record.

27. I believe that both Metropolis and Canada Investment Corporation are controlled and/or directed by the same individuals and are not arm's length parties.

28. In particular, the authorized signing officer for Canada Investment Corporation is Hosseingholi Missaghi. The manager of Metropolis is Arash Missaghi ("**Arash**"). Attached hereto as **Exhibit "H"** is a true copy of an affidavit sworn by Arash in proceedings related to the 12<sup>th</sup> ranking mortgage on the Scollard Property.

29. Hosseingholi Missaghi is the father of Arash.

30. Arash is an undischarged bankrupt and accordingly unable to serve as director of any of the corporations that he manages. Attached hereto as **Exhibit "I"** is a true copy of the bankruptcy search for Arash Missaghi.

31. I have spoken with Arash quite often over the years. I have acted as the lawyer for the Clients for a number of years. In that capacity I have dealt with Arash on numerous occasions. Among other things, Arash would personally deliver payments to my office on account of the mortgages.

32. I understand from my discussions with Arash that he and Hosseingholi Missaghi have a close relationship and that they currently live together at 133 Boake Trail, Richmond Hill, Ontario.

33. Both Metropolis and Canada Investment Corporation have the same registered head office: 665 Millway Avenue, Toronto, Ontario. Attached hereto as **Exhibit "J"** are true copies of the Corporate Profile Reports for each of Metropolis and Canada Investment Corporation.

34. The 1<sup>st</sup> ranking mortgage against the Scollard Property was not always held by Canada Investment Corporation. It was originally in the name of Equitable Trust, then subsequently assigned to a group of investors (the "**Yermus Group**"). I acted as lawyer for the Yermus Group, and my office was the address for service in respect of the Yermus Group. It was the Yermus Group who ultimately assigned the 1<sup>st</sup> mortgage to Canada Investment Corporation. Attached hereto as **Exhibit "K"** is a true copy of the 1<sup>st</sup> ranking mortgage and its various assignments.

35. During the negotiations for the assignment of the Yermus Group mortgage to Canada Investment Corporation, I dealt with Arash on behalf of Canada Investment Corporation. He was the only representative of Canada Investment Corporation that I spoke with. Based on the

information set out above, I understand that Arash is and always has been closely involved with Canada Investment Corporation. In my dealings with Canada Investment Corporation, I have never dealt with Hosseingholi Missaghi.

36. As noted, in the Prior Receivership, Valaei swore an affidavit on behalf of Metropolis. In the years I have dealt with Metropolis, I have never dealt with Valaei.

### **Allegations concerning the Sale**

37. As noted, Justice Brown granted the Receivership Order appointing MNP Ltd. (“MNP”) as receiver and manager of the Scollard Property. Subsequent to its appointment, MNP attended at the Scollard Property. I am advised by Mark Thomson of MNP that shortly after its appointment, MNP learned that a party was claiming that it was the new owner of the property. As a result, On June 30, 2014, our counsel conducted a sub search of the Scollard Property.

38. The Scollard Property was sold under power of sale on June 6, 2014 by Canada Investment Corporation to 2413913 Ontario Ltd. Attached hereto as **Exhibit “L”** is a true copy of the registered Transfer: Power of Sale.

39. The registered Transfer: Power of Sale indicates that the sale was conducted pursuant to a Notice of Sale issued on November 28, 2013. I have searched my files. The Clients address for service under the mortgages is my office. I have not been served with any notice of sale on behalf of Canada Investment Corporation concerning the 1<sup>st</sup> mortgage on the Scollard Property.

40. My file indicates that on November 27, 2013, I did receive by registered mail a letter from Rasik Mehta on behalf of Canada Investment Corporation regarding property tax arrears at the

Scollard Property. Attached hereto as **Exhibit "M"** is a true copy of the letter and registered mail receipt.

41. I am advised by Doug Bourassa that the sub search of the Scollard Property disclosed the sale on June 6, 2014 described above and the following mortgages:

- a. 1<sup>st</sup> ranking charge in favour of Ginkgo Mortgage Investment Corporation in the principal amount of \$3,650,000, guaranteed by Sai Mohammed and Shervin Kermani, registered on June 6, 2014 ("**Exhibit "N"**")
- b. 2<sup>nd</sup> ranking charge in favour of Canada Investment Corporation in the principal amount of \$1,252,000 registered on June 6, 2014 (the "**VTB Mortgage**") ("**Exhibit "O"**"), which charge was subsequently assigned June 11, 2014 to 2421955 Ontario Inc. for the sum of \$850,000 ("**Exhibit "P"**");
- c. 3<sup>rd</sup> ranking charge in favour of 2421955 Ontario Inc. in the principal amount of \$49,999.00 registered on June 17, 2014 ("**Exhibit "Q"**");
- d. 4<sup>th</sup> ranking charge in favour of Sai Mohammed in the principal amount of \$49,999.00 registered on June 17, 2014 ("**Exhibit "R"**");

42. The purchaser of the Scollard Property is 2413913 Ontario Ltd. It has two directors: Kermani Shervin and Sai Mohammed. Attached hereto as **Exhibit "S"** is a true copy of the Corporation Profile Report for 2413913 Ontario Ltd.



43. The corporation which took the assignment of the VTB Mortgage is 2421955 Ontario Inc. It has a single director: Sai Mohammed. Attached hereto as **Exhibit "T"** is a true copy of the Corporation Profile Report for 2421955 Ontario Inc.

44. The 3<sup>rd</sup> ranking mortgage is also held by 2421955 Ontario Inc.

45. The 4<sup>th</sup> ranking mortgage is held by Sai Mohammed personally.

46. Accordingly, the VTB Mortgage, and both the 3<sup>rd</sup> and 4<sup>th</sup> ranking mortgages are held or directed by Sai Mohammed, who is also a director of the purchaser.

47. The registered corporate address for the purchaser 24139313 Ontario Ltd. is 23 – 500 Fairway Road South, Kitchener, Ontario. Similarly, Sai Mohammed lists the same post office box address as his address in the Corporation Profile Report for 24139313 Ontario Ltd., as well as on the 4<sup>th</sup> ranking charge in his name. I am advised by Doug Bourassa that this address is a UPS post office box location.

48. Both the Scollard Property and the Malmo Property were sold under similarly suspicious circumstances, and involved largely the same parties. In particular, Canada Investment Corporation, the Missaghis and Sai Mohammed appear to be directly involved in both schemes. In addition, the same lawyers, Rasik Mehta and Jonathane Ricci acted in both suspicious sales.

49. As a result of the sale, the Clients mortgages have been deleted from title. Their entire security has been lost without receipt of any repayment.

### **Prior Receivership and Prior Offer on Scollard**

50. On February 18, 2014, 2329916 Ontario Limited (“**232**”) commenced an Application for the appointment of a receiver over the Scollard Property and the Malmo Property. A copy of the Notice of Application is marked as **Exhibit “U”**.

51. 232 held a mortgage registered against title to both the Scollard Property and the Malmo Property.

52. The Clients supported the relief sought in the Prior Receivership Application.

53. In the Prior Receivership, the sole officer and director of Metropolis, Masoumeh Shaer Valaei (“**Valaei**”), in opposing the appointment of the receiver, filed an affidavit in which she swore, *inter alia*, that Metropolis had entered into a binding agreement of purchase and sale for the sale of the Scollard Property for the purchase price of \$6,250,000. Specifically, Metropolis had received a \$500,000 deposit from the purchaser. The sale was scheduled to close on May 20, 2014.

54. In addition, Valaei believed that the sale price of \$6.25 million was fair market value for the Scollard Property, was more than sufficient to satisfy the outstanding mortgages on the property, and that there would be approximately \$1 million in equity available to Metropolis, subject to closing adjustments. Attached hereto as **Exhibit “V”** is a copy of the affidavit sworn March 28, 2014.

55. Metropolis has never advised why this transaction did not close.

56. In her affidavit, Valaei further deposed that Metropolis had obtained a binding commitment from Money Gate Corporation dated March 27, 2014 for the refinancing of all of the encumbrances

on title to the Scollard Property, which she deposed would take place in the event that the sale of the Scollard Property did not close. A copy of the commitment letter was appended as an exhibit to her Affidavit.

57. Metropolis has never advised why this refinancing transaction did not close.

### **Metropolis' Representations During Prior Receivership**

58. I believe that Metropolis intentionally misled the Court during the pendency of the Prior Receivership Application. The details are as follows. Where I do not have personal knowledge of the events, I am advised by Doug Bourassa, counsel for 232 in the Prior Receivership Application of the relevant facts and believe that information is true.

59. Metropolis failed to advise that the Malmo Property was sold under power of sale by a related party in a non-arm's length transaction for stated consideration of \$0.00 while the Prior Receivership Application was pending, and while it was seeking adjournments to file material.

60. Metropolis sought and obtained three adjournments, and filed responding materials.

61. However, Metropolis never advised the Court, or opposing counsel, that it was no longer the owner of the Malmo property. Through a series of related-party transactions, Malmo was sold under a suspicious power of sale, with no funds realized for the subsequent encumbrancers. All of these transactions occurred after the receivership proceeding was commenced, and during the adjournment requested by Metropolis.

62. The relevant chronology is as follows:

February 19, 2014	Receivership Application served on Metropolis, and other creditors, including CIC
February 25, 2014	First return date of Application; counsel for Metropolis requests adjournment; application adjourned to March 6, 2014
March 3, 2014	1 <sup>st</sup> mortgage on Malmo is assigned to CIC by the First Rescom Syndicate <sup>2</sup> for stated consideration of \$1,513,890.83
March 3, 2014	CIC sells the Malmo Property under power of sale to 2399029 Ontario Inc. for stated consideration of \$0.00 in reliance on a Notice of Sale issued in 2010;
March 3, 2014	2399029 Ontario grants three mortgages against Malmo:  (a) mortgage to the 2 <sup>nd</sup> Rescom Syndicate for \$1,700,000 (b) mortgage to CIC for \$270,000 (c) mortgage to 2396135 Ontario for \$450,000 (at 32% interest)
March 6, 2014	Parties appear before Justice McEwan; application adjourned to May 5 with a timetable for the conduct of the application; <b>The Court is not advised that Metropolis no longer owns Malmo;</b>
March 31, 2014	Metropolis files responding affidavit of Masoumeh Shaer Valaei; <b>The Court is not advised that Metropolis no longer owns Malmo;</b>
April 29, 2014	2399029 Ontario grants a fourth mortgage against Malmo to 2405015 Ontario for \$450,000
May 2, 2014	Metropolis files Supplemental Affidavit; <b>The Court is not advised that Metropolis no longer owns Malmo;</b>
May 5, 2014	Counsel appear before Justice Wilton-Siegal; Metropolis seeks adjournment to permit a sale of Scollard to close on May 20, 2014; Counsel for Metropolis confirms that 'the respondent will consent to the appointment of a receiver'; <b>The Court is not advised that Metropolis no longer owns Malmo;</b>
May 27, 2014	Applicant searches title and discovers that Malmo was sold months previous without notice;

<sup>2</sup> The charge was held by a number of investors, who are collectively referred to as the "First Rescom Syndicate"

63. Each of the Applicants herein who held cross collateralized mortgages against the Malmo Property have commenced a proceeding seeking to set aside the sale of the Malmo Property and for other ancillary relief. Attached hereto as **Exhibit "W"** is a true copy of the Statement of Claim in that proceeding.

64. The Plaintiffs in that proceeding have obtained a certificate of pending litigation against the Malmo Property, which certificate was registered against title to the Malmo Property on July 3, 2014. Attached hereto as **Exhibit "X"** is a true copy of the registered certificate of pending litigation.

65. On June 3, 2014, counsel for Metropolis delivered a bank draft for the full payment of the amount outstanding on the 232 mortgage, which mortgage was to be assigned to 2412233 Ontario Inc. As a result of the receipt of payment, the Prior Receivership application was treated as withdrawn by Justice Brown. Attached hereto as **Exhibit "Y"** is a true copy of the endorsement of Justice Brown dated June 3, 2014.

### **Current Issues at the Property**

66. MNP is having difficulty in managing the Scollard Property by reason of the steps taken by the new owner. A copy of the MNP report is being filed on this motion.

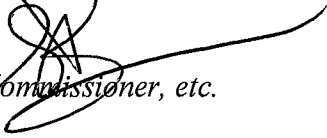
### **Conclusion**

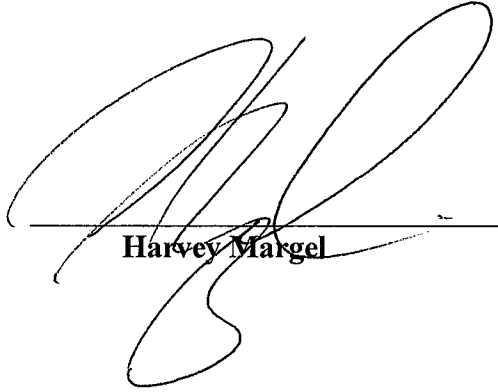
67. From the information currently known to me, the June 6, 2014 sale of the Property is suspicious, and may have elements of fraud, for among the following reasons:

- a. I have never been served with, and have never seen, the Notice of Sale dated November 28, 2013;
- b. The Clients have never had the opportunity to redeem the Canada Investment Corporation mortgage;
- c. The timing of the sale is immediately after the Clients issued demand and s.244 BIA notices. Given the Prior Receivership and the unresolved defaults under the Clients' mortgages, it was reasonable to assume that the Clients would quickly pursue enforcement remedies concerning the Scollard Property;
- d. Canada Investment Corporation was served with the Application Record on June 10, 2014 and did not respond in any manner;
- e. The sale was not disclosed to the Court on June 11 and June 16, 2014;
- f. The sale of the Scollard Property, and its lack of disclosure, was undertaken by the same parties who intentionally misled the Court in respect of the Malmo Property;
- g. Counsel for Metropolis appeared at the hearing, and obtained instructions to not oppose the granting of the receivership order;
- h. The sale eliminated the Clients' security without providing any repayment of the relevant loans;
- i. The sale took place notwithstanding the earlier sworn evidence from Valaei that Metropolis had a firm agreement to sell the Scollard Property for \$6,250,000 with a \$500,000 deposit;
- j. Further, that in the event the sale did not take place, Metropolis had a firm commitment from a lender to refinance the mortgages registered against title to the Scollard Property;

- k. The June 6, 2014 sale price is \$400,000 less than the earlier offer;
- l. The Scollard Property was not listed for sale by Canada Investment Corporation;
- m. No monies have been paid to the Clients from the sale nor have they received an accounting.

SWORN BEFORE ME at the City )  
 of Toronto, in the Province of )  
 Ontario, this 7<sup>th</sup> )  
 day of July, 2014 )

  
 A Commissioner, etc.

  
 Harvey Margel

**THIS IS EXHIBIT "A" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



---

*A Commissioner etc.*



PROPERTY DESCRIPTION: LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST EL 179 TORONTO AS IN CR804669, CITY OF TORONTO  
 \* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
 RE-ENTRY FROM 21197-0071

FEE SIMPLE

LT CONVERSION QUALIFIED

OWNERS' NAMES

METROPOLIS PROPERTIES INC.

CAPACITY SHARE  
 ROMN

FIN CREATION DATE:  
 2005/09/26

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHRD
**		PRIVATIZATION INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2005/09/26 **				
**		SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:				
**		SUBSECTION 44 (1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHERE OR FORFEITURE TO THE CROWN.				
**		THE RIGHTS OF ANY PERSON WHO MIGHT, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH A LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.				
**		ANY LEASE TO WHICH THE SUBSECTION 70 (2) OF THE REGISTRY ACT APPLIES.				
**		DATE OF CONVERSION TO LAND TITLES: 2005/09/26 **				
CT626034	1983/10/21	AGREEMENT			THE CORP. OF THE CITY OF TORONTO	C
CT626035	1983/10/21	AGREEMENT			THE CORP. OF THE CITY OF TORONTO	C
CA805663	2004/04/06	TRANSFER	\$950,000	MISCO HOLDINGS INC.	METROPOLIS PROPERTIES INC.	C
CA805794	2004/05/04	CHARGE	\$1,200,000	METROPOLIS PROPERTIES INC.	THE EQUITABLE TRUST COMPANY	C
CA805795	2004/05/04	ASSIGNMENT GENERAL REMARKS: RENTS: CA805794		METROPOLIS PROPERTIES INC.	THE EQUITABLE TRUST COMPANY	C
CA806350	2004/08/04	CHARGE		*** DELETED AGAINST THIS PROPERTY *** METROPOLIS PROPERTIES INC.	STANBARR SERVICES LIMITED	C
CA806351	2004/08/04	ASSIGNMENT GENERAL REMARKS: CA806350 RENTS		*** DELETED AGAINST THIS PROPERTY *** METROPOLIS PROPERTIES INC.	STANBARR SERVICES LIMITED	C

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 NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



21197-0211 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHGD
CA807547	2005/04/29	CHARGE		*** DELETED AGAINST THIS PROPERTY *** METROPOLIS PROPERTIES INC.	STANBARR SERVICES LIMITED	
CA807548	2005/04/29	ASSIGNMENT GENERAL		*** DELETED AGAINST THIS PROPERTY *** METROPOLIS PROPERTIES INC.	STANBARR SERVICES LIMITED	
CA807549	2005/04/29	CHARGE		*** DELETED AGAINST THIS PROPERTY *** METROPOLIS PROPERTIES INC.	JANODEE INVESTMENTS LTD.	
CA807550	2005/04/29	ASSIGNMENT GENERAL		*** DELETED AGAINST THIS PROPERTY *** METROPOLIS PROPERTIES INC.	JANODEE INVESTMENTS LTD.	
AT1134948	2006/05/11	CHARGE	\$650,000	METROPOLIS PROPERTIES INC.	STANBARR SERVICES LIMITED	C
AT1134955	2006/05/11	NO ASSGN RENT GEN		METROPOLIS PROPERTIES INC.	STANBARR SERVICES LIMITED	C
AT1150797	2006/05/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** STANBARR SERVICES LIMITED		
AT1150798	2006/05/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** STANBARR SERVICES LIMITED		
AT1150799	2006/05/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** JANODEE INVESTMENTS LTD.		
AT1157891	2006/06/02	CHARGE		*** COMPLETELY DELETED *** METROPOLIS PROPERTIES INC.	527540 ONTARIO LIMITED	
AT1157892	2006/06/02	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** METROPOLIS PROPERTIES INC.	527540 ONTARIO LIMITED	
AT1161497	2006/06/08	CHARGE		*** COMPLETELY DELETED *** METROPOLIS PROPERTIES INC.	BEAVER FOND INVESTMENTS LIMITED	
AT1195047	2006/07/11	CHARGE	\$470,000	METROPOLIS PROPERTIES INC.	JANODEE INVESTMENTS LTD.	C

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LAND REGISTRY OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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ON 2014/06/04 AT 09:17:24

21197-0211 (LT)

\* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHRG/ CHRD
AT1195052	2006/07/11	NO ASSGN RENT GEN REMARKS: AT1195047		METROPOLIS PROPERTIES INC.	JANODDEE INVESTMENTS LTD.	C
AT1195996	2006/07/12	DISCH OF CHARGE REMARKS: RE: AT1161497		*** COMPLETELY DELETED *** BEAVER POND INVESTMENTS LIMITED	JANODDEE INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD. REGARD INVESTMENTS LTD.	C
AT1196995	2006/07/13	CHARGE	\$300,000	METROPOLIS PROPERTIES INC.	JANODDEE INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD. REGARD INVESTMENTS LTD.	C
AT1221139	2006/08/08	DISCH OF CHARGE REMARKS: RE: AT1157891		*** COMPLETELY DELETED *** 527540 ONTARIO LIMITED	JANODDEE INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD. REGARD INVESTMENTS LTD.	C
AT1390328	2007/03/02	CHARGE	\$55,000	METROPOLIS PROPERTIES INC.	REGARD INVESTMENTS LTD.	C
AT1465883	2007/06/05	CHARGE	\$100,000	METROPOLIS PROPERTIES INC.	REGARD INVESTMENT LTD. 1563503 ONTARIO LIMITED	C
AT1537579	2007/08/13	CHARGE	\$80,000	METROPOLIS PROPERTIES INC.	REGARD INVESTMENTS LTD.	C
AT1859828	2008/08/08	CHARGE	\$375,000	METROPOLIS PROPERTIES INC.	STANBARR SERVICES LTD. REGARD INVESTMENTS LTD. THE CANADA TRUST COMPANY MEADOWSHIRE INVESTMENTS LTD. BEAVER POND INVESTMENTS LTD. THE CANADA TRUST COMPANY	C
AT1904123	2008/09/23	NOTICE		METROPOLIS PROPERTIES INC.	STANBARR SERVICES LTD. REGARD INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD. BEAVER POND INVESTMENTS LTD. THE CANADA TRUST COMPANY	C
AT2131098	2009/07/28	CHARGE	\$60,000	METROPOLIS PROPERTIES INC.	REGARD INVESTMENTS LTD.	C
AT2131099	2009/07/28	CHARGE	\$410,000	METROPOLIS PROPERTIES INC.	JANODDEE INVESTMENTS LTD. BEAVER POND INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD.	C

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LAND REGISTRY OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHRD
AT2204857	2009/10/16	CHARGE	\$300,000	METROPOLIS PROPERTIES INC.	REGARD INVESTMENTS LTD. THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY	C
AT2236096	2009/11/24	TRANSFER OF CHARGE		THE EQUITABLE TRUST COMPANY	JANODEE INVESTMENTS LTD. REGARD INVESTMENTS LTD. HEADONSHIRE INVESTMENTS LTD. ROSENBERG, RITA	C
AT2236404	2009/11/24	NOTICE		METROPOLIS PROPERTIES INC.	YERMUS, SAM YERMUS, HELEN M & B BARANEK LTD. WARNER, HOWARD THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY YERMUS, FREDA	C
AT2271336	2010/01/05	NO CHNG ADDR INST		YERMUS, SAM YERMUS, HELEN M & B BARANEK LTD WARNER, HOWARD THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY YERMUS, FREDA	YERMUS, SAM YERMUS, HELEN M & B BARANEK LTD WARNER, HOWARD THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY YERMUS, FREDA	C
AT3007856	2012/05/03	CHARGE	\$80,000	METROPOLIS PROPERTIES INC.	REGARD INVESTMENTS LTD.	C
AT3082347	2012/07/24	CHARGE	\$1,650,000	METROPOLIS PROPERTIES INC.	527540 ONTARIO LIMITED	C
AT3373420	2013/08/09	TRANSFER OF CHARGE		YERMUS, SAM YERMUS, HELEN M & B BARANEK LTD. WARNER, HOWARD	CANADA INVESTMENT CORPORATION	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT3373421	2013/08/09	NO ASSGN RENT GEN		THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY YERMUS, FREDA  YERMUS, SAM YERMUS, HELEN M & B BARANEK LTD. WARNER, HOWARD THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY YERMUS, FREDA CA2605795; TRANSFER OF CHARGE NO. AT2236096; ASSIGNMENT OF ASSIGNMENT OF RENTS NO. AT2236404	CANADA INVESTMENT CORPORATION	C
AT3467444	2013/12/02	POSTPONEMENT		STANBARR SERVICES LTD. REGARD INVESTMENTS LTD. THE CANADA TRUST COMPANY MEADOWSHIRE INVESTMENTS LTD. BEAVER POND INVESTMENTS LTD. THE CANADA TRUST COMPANY	REGARD INVESTMENTS LTD.	C
AT3467445	2013/12/02	POSTPONEMENT		STANBARR SERVICES LTD. REGARD INVESTMENTS LTD. THE CANADA TRUST COMPANY MEADOWSHIRE INVESTMENTS LTD. BEAVER POND INVESTMENTS LTD. THE CANADA TRUST COMPANY	JANODDEE INVESTMENTS LTD. BEAVER POND INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD. REGARD INVESTMENTS LTD. THE CANADA TRUST COMPANY THE CANADA TRUST COMPANY	C
AT3467446	2013/12/02	POSTPONEMENT		STANBARR SERVICES LTD. REGARD INVESTMENTS LTD. THE CANADA TRUST COMPANY MEADOWSHIRE INVESTMENTS LTD. BEAVER POND INVESTMENTS LTD. THE CANADA TRUST COMPANY	JANODDEE INVESTMENTS LTD. REGARD INVESTMENTS LTD. MEADOWSHIRE INVESTMENTS LTD. ROSENBERG, RITA	C
AT3467447	2013/12/02	POSTPONEMENT		STANBARR SERVICES LTD. REGARD INVESTMENTS LTD. THE CANADA TRUST COMPANY MEADOWSHIRE INVESTMENTS LTD. BEAVER POND INVESTMENTS LTD. THE CANADA TRUST COMPANY	REGARD INVESTMENTS LTD.	C

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REG. NOM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
AT3469235	2013/12/03	TRANSFER OF CHARGE		STANBARR SERVICES LTD. REGARD INVESTMENTS LTD. THE CANADA TRUST COMPANY MEADOWSHIRE INVESTMENTS LTD. BEAVER FOND INVESTMENTS LTD. THE CANADA TRUST COMPANY	2329916 ONTARIO LIMITED	C
AT3474067	2013/12/10	POSTPONEMENT		2329916 ONTARIO LIMITED	527540 ONTARIO LIMITED	C

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**THIS IS EXHIBIT "B" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



A handwritten signature in black ink, consisting of a large, stylized initial 'S' followed by a long horizontal stroke that extends to the right.

---

*A Commissioner etc.*

# HARVEY S. MARGEL

Barrister & Solicitor

2365 Finch Avenue West, Suite 202  
Toronto, Ontario M9M 2W8  
Email: harveymargel@rogers.com

Tel: (416) 745-9933  
Fax: (416) 745-9290

VIA REGULAR AND REGISTERED MAIL JUNE 4, 2014

Metropolis Properties Inc.  
7825 Bayview Ave.  
Suite 511  
Thornhill, Ontario  
L5T 7N2

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario

**Re: Mortgage indebtedness of Metropolis Properties Inc. (the "Company") to Regard Investments Ltd. (the "Lender")**  
**Property: 91-93 Scollard Street, Toronto**

Dear Sir/Madam,

We are lawyers for Regard Investments Ltd.

We refer to the Charge/Mortgage registered on May 3, 2012 as Instrument no. AT3007856 (the "Mortgage") between the Lender and the Company pursuant to which the Lender advanced to the Company a loan in the amount of \$80,000.00.

We are advised that the Company has committed certain acts of default under the Mortgage namely:

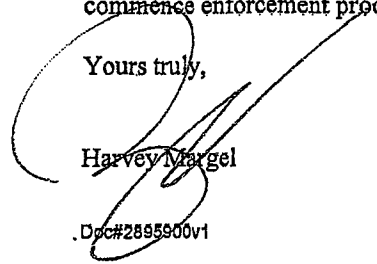
1. The Company failed to make a payment due under the Mortgage on February 3, 2013, and has not brought the Mortgage current since that time; and
2. The Company has defaulted in payments due under certain other registered encumbrances.

By reason of such defaults, and without prejudice to the Lender's rights and remedies available to it under the Mortgage, at law or in equity, the Lender hereby demands immediate payment of the indebtedness of the Company owing under the Mortgage in the sum of \$118,377.32 as at June 4, 2014.

Unless payment of the aforesaid sum together with interest and legal costs actually incurred to the date of payment or satisfactory arrangements therefore are made forthwith, the Lender shall take such steps as it deems necessary or advisable to recover payment of the Company's indebtedness in full and to enforce its security without further demand upon or notice to you.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Please note that service of this Notice is not an admission that notice must be given or that the Lender is required to wait at least ten days before exercising its remedies under the Mortgage, at law or in equity. The Lender expressly reserves its right to commence enforcement proceedings at any time.

Yours truly,



Harvey Margel



**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **Metropolis Properties Inc.**  
an insolvent person

Take notice that:

1. Regard Investments Ltd. secured creditor, intends to enforce its security on all of its assets, property and undertaking of Metropolis Properties Inc.
2. The security that is to be enforced is in the form of a Charge/Mortgage dated May 3, 2012 registered against title to the property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT3007856 (the "Scollard Mortgage") between Regard Investments Ltd. (the "Lender") and Metropolis Properties Inc. (the "Borrower") pursuant to which the Lender advanced to the Borrower a loan in the amount of \$80,000.00.
3. The total amount of indebtedness secured by the Scollard Mortgage as at June 4, 2014 is \$118,377.32 for principal and interest, plus costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 4<sup>th</sup> day of June, 2014.

**Regard Investments Ltd.**  
By its lawyer  
Harvey Margel

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

Harvey Margel

# HARVEY S. MARGEL

Barrister & Solicitor

2365 Finch Avenue West, Suite 202

Toronto, Ontario M9M 2W8

Email: harveymargel@rogers.com

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Tel: (416) 745-9933  
Fax: (416) 745-9290

VIA REGULAR AND REGISTERED MAIL JUNE 4, 2014

Metropolis Properties Inc.  
7825 Bayview Ave.  
Suite 511  
Thornhill, Ontario  
L5T 7N2

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario

**Re: Mortgage indebtedness of Metropolis Properties Inc. (the "Company") to Regard Investments Ltd. and 1563503 Ontario Limited (the "Lenders")  
Property: 91-93 Scollard Street, Toronto**

Dear Sir/Madam,

We are lawyers for Regard Investments Ltd. and 1563503 Ontario Limited.

We refer to the Charge/Mortgage registered on June 5, 2007 as Instrument no. AT1465883 (the "Mortgage") between the Lenders and the Company pursuant to which the Lenders advanced to the Company a loan in the amount of \$100,000.00.

We are advised that the Company has committed certain acts of default under the Mortgage namely:

1. The Company failed to make a payment due under the Mortgage on February 1, 2013, and has not brought the Mortgage current since that time; and
2. The Company has defaulted in payments due under certain other registered encumbrances.

By reason of such defaults, and without prejudice to the Lenders' rights and remedies available to it under the Mortgage, at law or in equity, the Lenders hereby demand immediate payment of the indebtedness of the Company owing under the Mortgage in the sum of \$174,497.62 as at June 4, 2014.

Unless payment of the aforesaid sum together with interest and legal costs actually incurred to the date of payment or satisfactory arrangements therefore are made forthwith, the Lenders shall take such steps as it deems necessary or advisable to recover payment of the Company's indebtedness in full and to enforce its security without further demand upon or notice to you.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Please note that service of this Notice is not an admission that notice must be given or that the Lenders are required to wait at least ten days before exercising its remedies under the Mortgage, at law or in equity. The Lenders expressly reserve its right to commence enforcement proceedings at any time.

Yours truly,

Harvey Margel

Doc#289590001

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **Metropolis Properties Inc.**  
an insolvent person

Take notice that:

1. Regard Investments Ltd. and 1563503 Ontario Limited secured creditors, intend to enforce their security on all of their assets, property and undertaking of Metropolis Properties Inc.
2. The security that is to be enforced is in the form of a Charge/Mortgage dated June 5, 2007 registered against title to the property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT1465883 (the "Scollard Mortgage") between Regard Investments Ltd. and 1563503 Ontario Limited (the "Lenders") and Metropolis Properties Inc. (the "Borrower") pursuant to which the Lenders advanced to the Borrower a loan in the amount of \$100,000.00.
3. The total amount of indebtedness secured by the Scollard Mortgage as at June 4, 2014 is \$174,497.62 for principal and interest, plus costs.
4. The secured creditors will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 4<sup>th</sup> day of June, 2014.

**Regard Investments Ltd. and  
1563503 Ontario Limited**  
By its lawyer  
Harvey Margel

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

Harvey Margel

# HARVEY S. MARGEL

Barrister & Solicitor

2365 Finch Avenue West, Suite 202  
Toronto, Ontario M9M 2W8  
Email: harveymargel@rogers.com

91

Tel: (416) 745-9933  
Fax: (416) 745-9290

June 4, 2014

## VIA REGULAR AND REGISTERED MAIL

Metropolis Properties Inc.  
7825 Bayview Ave.  
Suite 511  
Thornhill, Ontario  
L5T 7N2

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario

**Re: Mortgage indebtedness of Metropolis Properties Inc. (the "Company") to Stanbarr Services Ltd. (the "Lender")**  
**Property: 91-93 Scollard Street, Toronto**

Dear Sir/Madam,

We are lawyers for Stanbarr Services Limited.

We refer to the Charge/Mortgage registered on May 11, 2006 as Instrument no. AT1134948 (the "Mortgage") between the Lender and the Company pursuant to which the Lender advanced to the Company a loan in the amount of \$650,000.00.

We are advised that the Company has committed certain acts of default under the Mortgage namely:

1. The Company failed to make a payment due under the Mortgage on February 11, 2013 and has not brought the Mortgage current since that time; and
2. The Company has defaulted in payments due under certain other registered encumbrances.

By reason of such defaults, and without prejudice to the Lender's rights and remedies available to it under the Mortgage, at law or in equity, the Lender hereby demands immediate payment of the indebtedness of the Company owing under the Mortgage in the sum of \$1,006,482.50 as at June 4, 2014.

Unless payment of the aforesaid sum together with interest and legal costs actually incurred to the date of payment or satisfactory arrangements therefore are made forthwith, the Lender shall take such steps as it deems necessary or advisable to recover payment of the Company's indebtedness in full and to enforce its security without further demand upon or notice to you.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Please note that service of this Notice is not an admission that notice must be given or that the Lender is required to wait at least ten days before exercising its remedies under the Mortgage, at law or in equity. The Lender expressly reserves its right to commence enforcement proceedings at any time.

Yours truly,

Harvey Margel

Dcc#2895900v1

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **Metropolis Properties Inc.**  
an insolvent person

Take notice that:

1. Stanbarr Services Limited, a secured creditor, intends to enforce its security on all of the assets, property and undertaking of Metropolis Properties Inc.
2. The security that is to be enforced is in the form of:
  - (a) a Charge/Mortgage dated May 11, 2006 registered against title to the property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT1134948 (the "Scollard Mortgage") between Stanbarr Services Ltd. (the "Lender") and Metropolis Properties Inc. (the "Borrower") pursuant to which the Lender advanced to the Borrower a loan in the amount of \$650,000.00;
  - (b) General Assignment of Rents registered against title to the Property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT1134955.
3. The total amount of indebtedness secured by the Scollard Mortgage as at June 4, 2014 is \$1,006,482.50 for principal and interest, plus costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 4<sup>th</sup> day of June, 2014.

**Stanbarr Services Limited**

By its lawyer  
Harvey Margel

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

Harvey Margel

# HARVEY S. MARGEL

Barrister & Solicitor

2365 Finch Avenue West, Suite 202  
Toronto, Ontario M9M 2W8  
Email: harveymargel@rogers.com

Tel: (416) 745-9933  
Fax: (416) 745-9290

VIA REGULAR AND REGISTERED MAIL      JUNE 4, 2014

Metropolis Properties Inc.  
7825 Bayview Ave.  
Suite 511  
Thornhill, Ontario  
L5T 7N2

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario

**Re:    Mortgage indebtedness of Metropolis Properties Inc. (the "Company") to Janodee Investments Ltd., Regard Investments Ltd., Meadowshire Investments Ltd. and Rita Rosenberg (the "Lenders")**  
**Property: 91-93 Scollard Street, Toronto**

Dear Sir/Madam,

We are lawyers for Janodee Investments Ltd., Regard Investments Ltd., Meadowshire Investments Ltd. Rita Rosenberg.

We refer to the Charge/Mortgage registered on October 16, 2009 as Instrument no. AT2204857 (the "Mortgage") between the Lenders and the Company pursuant to which the Lenders advanced to the Company a loan in the amount of \$300,000.00.

We are advised that the Company has committed certain acts of default under the Mortgage namely:

1. The Company failed to make a payment due under the Mortgage on February 15, 2013, and has not brought the Mortgage current since that time; and
2. The Company has defaulted in payments due under certain other registered encumbrances.

By reason of such defaults, and without prejudice to the Lenders' rights and remedies available to it under the Mortgage, at law or in equity, the Lenders hereby demand immediate payment of the indebtedness of the Company owing under the Mortgage in the sum of \$558,319.87 as at June 4, 2014.

Unless payment of the aforesaid sum together with interest and legal costs actually incurred to the date of payment or satisfactory arrangements therefore are made forthwith, the Lenders shall take such steps as they deem necessary or advisable to recover payment of the Company's indebtedness in full and to enforce its security without further demand upon or notice to you.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Please note that service of this Notice is not an admission that notice must be given or that the Lenders are required to wait at least ten days before exercising its remedies under the Mortgage, at law or in equity. The Lenders expressly reserve their right to commence enforcement proceedings at any time.

Yours truly,

Harvey Margel

Doc#2885900v1

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
**(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)**

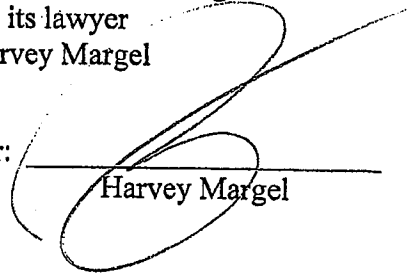
To: **Metropolis Properties Inc.**  
an insolvent person

Take notice that:

1. Janodee Investments Ltd., Regard Investments Ltd., Meadowshire Investments Ltd. and Rita Rosenberg secured creditors, intend to enforce their security on all of their assets, property and undertaking of Metropolis Properties Inc.
2. The security that is to be enforced is in the form of a Charge/Mortgage dated October 16, 2009 registered against title to the property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT2204857 (the "Scollard Mortgage") between Janodee Investments Ltd., Regard Investments Ltd., Meadowshire Investments Ltd. and Rita Rosenberg (the "Lenders") and Metropolis Properties Inc. (the "Borrower") pursuant to which the Lenders advanced to the Borrower a loan in the amount of \$300,000.00.
3. The total amount of indebtedness secured by the Scollard Mortgage as at June 4, 2014 is \$558,319.87 for principal and interest, plus costs.
4. The secured creditors will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 4<sup>th</sup> day of June, 2014.

**Janodee Investments Ltd.,  
Regard Investments Ltd.,  
Meadowshire Investments Ltd.  
and Rita Rosenberg**  
By its lawyer  
Harvey Margel

Per:   
Harvey Margel

# HARVEY S. MARGEL

Barrister & Solicitor

2365 Finch Avenue West, Suite 202  
Toronto, Ontario M9M 2W8  
Email: harveymargel@rogers.com

95  
Tel: (416) 745-9933  
Fax: (416) 745-9290

June 4, 2014

## VIA REGULAR AND REGISTERED MAIL

Metropolis Properties Inc.  
7825 Bayview Ave.  
Suite 511  
Thornhill, Ontario  
L5T 7N2

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario

**Re: Mortgage indebtedness of Metropolis Properties Inc. (the "Company") to Janodee Investments Ltd. (the "Lender")**  
**Property: 91-93 Scollard Street, Toronto**

Dear Sir/Madam,

We are lawyers for Janodee Investments Ltd.

We refer to the Charge/Mortgage registered on July 11, 2006 as Instrument no. AT1195047 (the "Mortgage") between the Lender and the Company pursuant to which the Lender advanced to the Company a loan in the amount of \$470,000.00.

We are advised that the Company has committed certain acts of default under the Mortgage namely:

1. The Company failed to make a payment due under the Mortgage on February 10, 2013, and has not brought the Mortgage current since that time; and
2. The Company has defaulted in payments due under certain other registered encumbrances.

reason of such defaults, and without prejudice to the Lender's rights and remedies available to it under the Mortgage, at law or in equity, the Lender hereby demands immediate payment of the indebtedness of the Company owing under the Mortgage in the sum of \$780,056.33 as at June 4, 2014.

Unless payment of the aforesaid sum together with interest and legal costs actually incurred to the date of payment or satisfactory arrangements therefore are made forthwith, the Lender shall take such steps as it deems necessary or advisable to recover payment of the Company's indebtedness in full and to enforce its security without further demand upon or notice to you.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Please note that service of this Notice is not an admission that notice must be given or that the Lender is required to wait at least ten days before exercising its remedies under the Mortgage, at law or in equity. The Lender expressly reserves its right to commence enforcement proceedings at any time.

Yours truly,

Harvey Margel

Doc#2895900v1



**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **Metropolis Properties Inc.**  
an insolvent person

Take notice that:

1. Janodee Investments Ltd., a secured creditor, intends to enforce its security on all of the assets, property and undertaking of Metropolis Properties Inc.
2. The security that is to be enforced is in the form of:
  - (a) a Charge/Mortgage dated July 11, 2006 registered against title to the property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT1195047 (the "Scollard Mortgage") between Janodee Investments Ltd. (the "Lender") and Metropolis Properties Inc. (the "Borrower") pursuant to which the Lender advanced to the Borrower a loan in the amount of \$470,000.00;
  - (b) General Assignment of Rents registered against title to the Property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT195052.
3. The total amount of indebtedness secured by the Scollard Mortgage as at June 4, 2014 is \$780,056.33 for principal and interest, plus costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 4<sup>th</sup> day of June, 2014.

**Janodee Investments Ltd.**  
By its lawyer  
Harvey Margel

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

Harvey Margel

# HARVEY S. MARGEL

Barrister & Solicitor

97

2365 Finch Avenue West, Suite 202  
Toronto, Ontario M9M 2W8  
Email: harveymargel@rogers.com

Tel: (416) 745-9933  
Fax: (416) 745-9290

VIA REGULAR AND REGISTERED MAIL JUNE 4, 2014

Metropolis Properties Inc.  
7825 Bayview Ave.  
Suite 511  
Thornhill, Ontario  
L5T 7N2

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario

**Re: *Mortgage indebtedness of Metropolis Properties Inc. (the "Company") to Janodee Investments Ltd., Beaver Pond Investments Ltd., Meadowshire Investments Ltd., Regard Investments Ltd. and Canada Trust Company (the "Lenders")***  
***Property: 91-93 Scollard Street, Toronto***

Dear Sir/Madam,

We are lawyers for Janodee Investments Ltd., Beaver Pond Investments Ltd., Meadowshire Investments Ltd., Regard Investments Ltd. and Canada Trust Company.

We refer to the Charge/Mortgage registered on July 28, 2009 as Instrument no. AT2131099 (the "Mortgage") between the Lenders and the Company pursuant to which the Lenders advanced to the Company a loan in the amount of \$410,000.00.

We are advised that the Company has committed certain acts of default under the Mortgage namely:

1. The Company failed to make a payment due under the Mortgage on February 15, 2013, and has not brought the Mortgage current since that time; and
2. The Company has defaulted in payments due under certain other registered encumbrances.

By reason of such defaults, and without prejudice to the Lenders' rights and remedies available to it under the Mortgage, at law or in equity, the Lenders hereby demand immediate payment of the indebtedness of the Company owing under the Mortgage in the sum of \$495,627.51 as at June 4, 2014.

Unless payment of the aforesaid sum together with interest and legal costs actually incurred to the date of payment or satisfactory arrangements therefore are made forthwith, the Lenders shall take such steps as they deem necessary or advisable to recover payment of the Company's indebtedness in full and to enforce its security without further demand upon or notice to you.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Please note that service of this Notice is not an admission that notice must be given or that the Lenders are required to wait at least ten days before exercising its remedies under the Mortgage, at law or in equity. The Lenders expressly reserve their right to commence enforcement proceedings at any time.

Yours truly,

Harvey Margel

D5c#2889600v1

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **Metropolis Properties Inc.**  
an insolvent person

Take notice that:

1. Janodee Investments Ltd., Beaver Pond Investments Ltd., Meadowshire Investments Ltd., Regard Investments Ltd. and Canada Trust Company secured creditors, intend to enforce their security on all of their assets, property and undertaking of Metropolis Properties Inc.
2. The security that is to be enforced is in the form of a Charge/Mortgage dated July 28, 2009 registered against title to the property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT2131099 (the "Scollard Mortgage") between Janodee Investments Ltd., Beaver Pond Investments Ltd., Meadowshire Investments Ltd., Regard Investments Ltd. and Canada Trust Company (the "Lenders") and Metropolis Properties Inc. (the "Borrower") pursuant to which the Lenders advanced to the Borrower a loan in the amount of \$410,000.00.
3. The total amount of indebtedness secured by the Scollard Mortgage as at June 4, 2014 is \$495,627.51 for principal and interest, plus costs.
4. The secured creditors will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 4<sup>th</sup> day of June, 2014.

**Janodee Investments Ltd., Beaver  
Pond Investments Ltd.,  
Meadowshire Investments Ltd.,  
Regard Investments Ltd. and  
Canada Trust Company**  
By its lawyer  
Harvey Margel

Per:   
Harvey Margel

# HARVEY S. MARGEL

Barrister & Solicitor

2365 Finch Avenue West, Suite 202  
Toronto, Ontario M9M 2W8  
Email: harveymargel@rogers.com

99  
Tel: (416) 745-9933  
Fax: (416) 745-9290

June 4, 2014

## VIA REGULAR AND REGISTERED MAIL

Metropolis Properties Inc.  
7825 Bayview Ave.  
Suite 511  
Thornhill, Ontario  
L5T 7N2

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario

**Re: Mortgage indebtedness of Metropolis Properties Inc. (the "Company") to Janodee Investments Ltd., Meadowshire Investments Ltd., Regard Investments Ltd. (the "Lenders")  
Property: 91-93 Scollard Street, Toronto**

Dear Sir/Madam,

We are lawyers for Janodee Investments Ltd., Meadowshire Investments Ltd., Regard Investments Ltd.

We refer to the Charge/Mortgage registered on July 13, 2006 as Instrument no. AT1196995 (the "Mortgage") between the Lenders and the Company pursuant to which the Lenders advanced to the Company a loan in the amount of \$300,000.00.

We are advised that the Company has committed certain acts of default under the Mortgage namely:

1. The Company failed to make a payment due under the Mortgage on February 12, 2013, and has not brought the Mortgage current since that time; and
2. The Company has defaulted in payments due under certain other registered encumbrances.

By reason of such defaults, and without prejudice to the Lenders' rights and remedies available to it under the Mortgage, at law or in equity, the Lenders hereby demand immediate payment of the indebtedness of the Company owing under the Mortgage in the sum of \$324,071.53 as at June 4, 2014.

Unless payment of the aforesaid sum together with interest and legal costs actually incurred to the date of payment or satisfactory arrangements therefore are made forthwith, the Lenders shall take such steps as they deem necessary or advisable to recover payment of the Company's indebtedness in full and to enforce its security without further demand upon or notice to you.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Please note that service of this Notice is not an admission that notice must be given or that the Lenders are required to wait at least ten days before exercising its remedies under the Mortgage, at law or in equity. The Lenders expressly reserve their right to commence enforcement proceedings at any time.

Yours truly,

Harvey Margel

Doc#2895900v1

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **Metropolis Properties Inc.**  
an insolvent person

Take notice that:

1. Janodee Investments Ltd., Meadowshire Investments Ltd., Regard Investments Ltd. secured creditors, intend to enforce its security on all of their assets, property and undertaking of Metropolis Properties Inc.
2. The security that is to be enforced is in the form of a Charge/Mortgage dated July 13, 2006 registered against title to the property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT1196995 (the "Scollard Mortgage") between Janodee Investments Ltd., Regard Investments Ltd., Meadowshire Investments Ltd. (the "Lenders") and Metropolis Properties Inc. (the "Borrower") pursuant to which the Lenders advanced to the Borrower a loan in the amount of \$300,000.00.
3. The total amount of indebtedness secured by the Scollard Mortgage as at June 4, 2014 is \$324,071.53 for principal and interest, plus costs.
4. The secured creditors will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 4<sup>th</sup> day of June, 2014.

**Janodee Investments Ltd., Regard  
Investments Ltd., Meadowshire  
Investments Ltd.**  
By its lawyer  
Harvey Margel

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

Harvey Margel

101

# HARVEY S. MARGEL

Barrister & Solicitor

2365 Finch Avenue West, Suite 202  
Toronto, Ontario M9M 2W8  
Email: harveymargel@rogers.com

Tel: (416) 745-9933  
Fax: (416) 745-9290

June 4, 2014

**VIA REGULAR AND REGISTERED MAIL**

Metropolis Properties Inc.  
7825 Bayview Ave.  
Suite 511  
Thornhill, Ontario  
L5T 7N2

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario

**Re: Mortgage indebtedness of Metropolis Properties Inc. (the "Company") to Regard Investments Ltd. (the "Lender")**  
**Property: 91-93 Scollard Street, Toronto**

Dear Sir/Madam,

We are lawyers for Regard Investments Ltd.

We refer to the Charge/Mortgage registered on March 2, 2007 as Instrument no. AT1390328 (the "Mortgage") between the Lender and the Company pursuant to which the Lender advanced to the Company a loan in the amount of \$65,000.00.

We are advised that the Company has committed certain acts of default under the Mortgage namely:

1. The Company failed to make a payment due under the Mortgage on February 2, 2013, and has not brought the Mortgage current since that time; and
2. The Company has defaulted in payments due under certain other registered encumbrances.

By reason of such defaults, and without prejudice to the Lender's rights and remedies available to it under the Mortgage, at law or in equity, the Lender hereby demands immediate payment of the indebtedness of the Company owing under the Mortgage in the sum of \$124,971.89 as at June 4, 2014.

Unless payment of the aforesaid sum together with interest and legal costs actually incurred to the date of payment or satisfactory arrangements therefore are made forthwith, the Lender shall take such steps as it deems necessary or advisable to recover payment of the Company's indebtedness in full and to enforce its security without further demand upon or notice to you.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Please note that service of this Notice is not an admission that notice must be given or that the Lender is required to wait at least ten days before exercising its remedies under the Mortgage, at law or in equity. The Lender expressly reserves its right to commence enforcement proceedings at any time.

Yours truly,

Harvey Margel

Doc#2895900v1

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **Metropolis Properties Inc.**  
an insolvent person

Take notice that:

1. Regard Investments Ltd. secured creditor, intends to enforce its security on all of its assets, property and undertaking of Metropolis Properties Inc.
2. The security that is to be enforced is in the form of a Charge/Mortgage dated March 2, 2007 registered against title to the property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT1390328 (the "Scollard Mortgage") between Regard Investments Ltd. (the "Lender") and Metropolis Properties Inc. (the "Borrower") pursuant to which the Lender advanced to the Borrower a loan in the amount of \$65,000.00.
3. The total amount of indebtedness secured by the Scollard Mortgage as at June 4, 2014 is \$124,971.89 for principal and interest, plus costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 4<sup>th</sup> day of June, 2014.

**Regard Investments Ltd.**  
By its lawyer  
Harvey Margel

Per: \_\_\_\_\_  
Harvey Margel

# HARVEY S. MARGEL

Barrister & Solicitor

2365 Finch Avenue West, Suite 202  
Toronto, Ontario M9M 2W8  
Email: harveymargel@rogers.com

103  
Tel: (416) 745-9933  
Fax: (416) 745-9290

June 4, 2014

**VIA REGULAR AND REGISTERED MAIL**

Metropolis Properties Inc.  
7825 Bayview Ave.  
Suite 511  
Thornhill, Ontario  
L5T 7N2

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario

**Re: Mortgage indebtedness of Metropolis Properties Inc. (the "Company") to Regard Investments Ltd. (the "Lender")**  
**Property: 91-93 Scollard Street, Toronto**

Dear Sir/Madam,

We are lawyers for Regard Investments Ltd.

We refer to the Charge/Mortgage registered on August 13, 2007 as Instrument no. AT1537579 (the "Mortgage") between the Lender and the Company pursuant to which the Lender advanced to the Company a loan in the amount of \$80,000.00.

We are advised that the Company has committed certain acts of default under the Mortgage namely:

1. The Company failed to make a payment due under the Mortgage on February 10, 2013, and has not brought the Mortgage current since that time; and
2. The Company has defaulted in payments due under certain other registered encumbrances.

By reason of such defaults, and without prejudice to the Lender's rights and remedies available to it under the Mortgage, at law or in equity, the Lender hereby demands immediate payment of the indebtedness of the Company owing under the Mortgage in the sum of \$147,988.11 as at June 4, 2014.

Unless payment of the aforesaid sum together with interest and legal costs actually incurred to the date of payment or satisfactory arrangements therefore are made forthwith, the Lender shall take such steps as it deems necessary or advisable to recover payment of the Company's indebtedness in full and to enforce its security without further demand upon or notice to you.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Please note that service of this Notice is not an admission that notice must be given or that the Lender is required to wait at least ten days before exercising its remedies under the Mortgage, at law or in equity. The Lender expressly reserves its right to commence enforcement proceedings at any time.

Yours truly,

  
Harvey Margel

Doc#2895900v1



**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

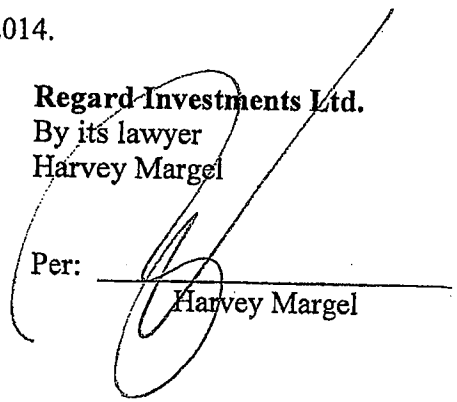
To: **Metropolis Properties Inc.**  
an insolvent person

Take notice that:

1. Regard Investments Ltd. secured creditor, intends to enforce its security on all of its assets, property and undertaking of Metropolis Properties Inc.
2. The security that is to be enforced is in the form of a Charge/Mortgage dated August 13, 2007 registered against title to the property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT1537579 (the "Scollard Mortgage") between Regard Investments Ltd. (the "Lender") and Metropolis Properties Inc. (the "Borrower") pursuant to which the Lender advanced to the Borrower a loan in the amount of \$80,000.00.
3. The total amount of indebtedness secured by the Scollard Mortgage as at June 4, 2014 is \$147,988.11 for principal and interest, plus costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 4<sup>th</sup> day of June, 2014.

**Regard Investments Ltd.**  
By its lawyer  
Harvey Margel

Per:   
Harvey Margel

# HARVEY S. MARGEL

Barrister & Solicitor

2365 Finch Avenue West, Suite 202

Toronto, Ontario M9M 2W8

Email: [harmeymargel@rogers.com](mailto:harmeymargel@rogers.com)

105

Tel: (416) 745-9933  
Fax: (416) 745-9290

June 4, 2014

## VIA REGULAR AND REGISTERED MAIL

Metropolis Properties Inc.  
7825 Bayview Ave.  
Suite 511  
Thornhill, Ontario  
L5T 7N2

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario

**Re: *Mortgage indebtedness of Metropolis Properties Inc. (the "Company") to Regard Investments Ltd. (the "Lender")***  
***Property: 91-93 Scollard Street, Toronto***

Dear Sir/Madam,

We are lawyers for Regard Investments Ltd.

We refer to the Charge/Mortgage registered on July 28, 2009 as Instrument no. AT2131098 (the "Mortgage") between the Lender and the Company pursuant to which the Lender advanced to the Company a loan in the amount of \$60,000.00.

We are advised that the Company has committed certain acts of default under the Mortgage namely:

1. The Company failed to make a payment due under the Mortgage on February 14, 2013, and has not brought the Mortgage current since that time; and
2. The Company has defaulted in payments due under certain other registered encumbrances.

By reason of such defaults, and without prejudice to the Lender's rights and remedies available to it under the Mortgage, at law or in equity, the Lender hereby demands immediate payment of the indebtedness of the Company owing under the Mortgage in the sum of \$116,624.03 as at June 4, 2014.

Unless payment of the aforesaid sum together with interest and legal costs actually incurred to the date of payment or satisfactory arrangements therefore are made forthwith, the Lender shall take such steps as it deems necessary or advisable to recover payment of the Company's indebtedness in full and to enforce its security without further demand upon or notice to you.

Enclosed please find our client's Notice of Intention to Enforce Security which is served upon you pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada). Please note that service of this Notice is not an admission that notice must be given or that the Lender is required to wait at least ten days before exercising its remedies under the Mortgage, at law or in equity. The Lender expressly reserves its right to commence enforcement proceedings at any time.

Yours truly,

Harvey Margel

Doc#2895908v1

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

To: **Metropolis Properties Inc.**  
an insolvent person

Take notice that:

1. Regard Investments Ltd. secured creditor, intends to enforce its security on all of its assets, property and undertaking of Metropolis Properties Inc.
2. The security that is to be enforced is in the form of a Charge/Mortgage dated July 28, 2009 registered against title to the property municipally known as 91-93 Scollard Street, Toronto, Ontario as Instrument No. AT2131098 (the "Scollard Mortgage") between Regard Investments Ltd. (the "Lender") and Metropolis Properties Inc. (the "Borrower") pursuant to which the Lender advanced to the Borrower a loan in the amount of \$60,000.00.
3. The total amount of indebtedness secured by the Scollard Mortgage as at June 4, 2014 is \$116,624.03 for principal and interest, plus costs.
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 4<sup>th</sup> day of June, 2014.

**Regard Investments Ltd.**  
By its lawyer  
Harvey Margel

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

Harvey Margel

**THIS IS EXHIBIT "C" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



---

*A Commissioner etc.*

Court File No.

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

**STANBARR SERVICES LIMITED, JANODEE INVESTMENTS LTD., MEADOWSHIRE  
INVESTMENTS LTD., REGARD INVESTMENTS LTD., 1563503 ONTARIO LIMITED,  
BEAVER POND INVESTMENTS LTD., THE CANADA TRUST COMPANY, RITA  
ROSENBERG and 527540 ONTARIO LIMITED**

**Applicants**

- and -

**METROPOLIS PROPERTIES INC.**

**Respondent**

APPLICATION UNDER Sections 47(1) and 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.

**AFFIDAVIT OF SERVICE**

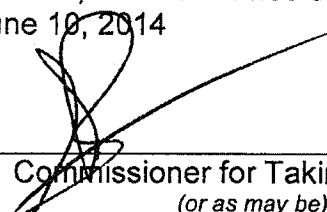
I, Neil Haigh, of the City of Cambridge, in the Province of Ontario, MAKE OATH  
AND SAY:

1. On Tuesday, June 10, 2014 at approximately 10:55 a.m. I attended at 665 Millway Avenue, Unit 57 in Concord, Ontario for the purpose of serving the Application Record upon each of Metropolis Properties Inc. and Canada Investment Corporation as each corporation lists this address as the registered head office.

2. Upon arrival at the premises I noted a sign on the door indicating the premises were occupied by Top Natural Foods. I entered the premises and spoke with the individual who appeared to be in control of the property.
3. I asked whether the two corporations were located in those premises. The individual advised me that the two corporations were located "upstairs", but that no one was present at the current time.
4. The individual then suggested that I could leave the materials (which were in sealed envelopes) at his front desk and he would provide them to the corporations and/or their officers, directors or managers.
5. I placed the sealed envelopes on his front desk and prepared to depart. I asked the individual for his name and he refused.
6. As I was about to leave, the individual placed a telephone call to persons unknown in foreign language. At the conclusion of the call the individual advised that he was not authorized to accept any material, that he would not provide any material to any persons or corporations, and that the material could not be left with him.
7. The individual then took the envelopes and placed them outside the door to the premises and invited me to leave. I did so. The materials were left where the individual had placed them.
8. I have conducted a Google search of Top Natural Foods Inc. which revealed the attached webpage indicating that Hosseingholi Missaghi is affiliated with

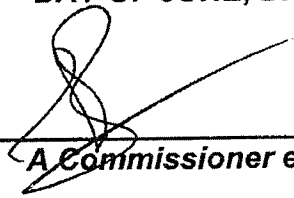
that corporation. Mr. Missaghi is also the listed director of Canada Investment Corporation. Attached hereto and marked as Exhibit "A" is a true copy of the Google search webpage for Top Natural Foods Inc.

**SWORN BEFORE ME** at the City of Toronto, in the Province of Ontario on June 10, 2014

  
\_\_\_\_\_  
Commissioner for Taking Affidavits  
(or as may be)

}   
\_\_\_\_\_  
NEIL HAIGH

THIS IS EXHIBIT "A" TO  
THE AFFIDAVIT OF NEIL HAIGH  
SWORN BEFORE ME THIS 10<sup>TH</sup>  
DAY OF JUNE, 2014.

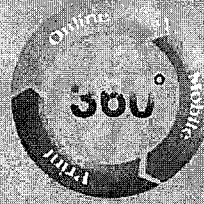


---

*A Commissioner etc.*



**ZARVARAGH** .CO  
IRANIAN-AFGHAN GOLDEN PAGES OF CANADA DIRECTORY



**زرارقا**

راهنمای شامل و نیازمندیهای حرفه ای ایرانی-افغانی کانادا

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### Zarvaragh Iranian Directory

Categories: [Foods](#) [Products](#) [Distribution](#)

## Top Natural Foods Inc. | Hossein\_Gholi Missaghi

842 page views

To Place Your **BUSINESS CARD** Here  
Please Sign In To Your Account.  
**DON'T HAVE SIGN IN INFORMATION**  
**Contact**

TOP NATURAL FOODS INC.  
652-654 MAGNETIC DRIVE  
TORONTO, ONTARIO M3J 2C4  
CANADA

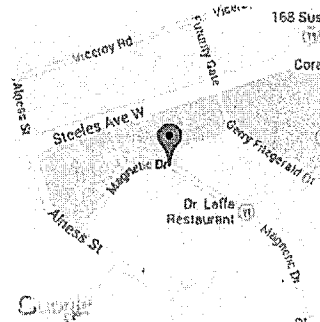
Phone: 1 416-661-2228  
Cell: 1 416-661-2238  
Fax: 1 416-661-2238

Website: [www.topfoodsintl.com](http://www.topfoodsintl.com)

Your **Ad** Could be **HERE**

#### Top Natural Foods Inc. Photo Gallery

### Top Natural Foods Inc. | Hossein\_Gholi Missaghi



**Contact**  
  
**416.222.2211**

Ask Hossein\_Gholi Missaghi a question

Your name:

Email:

Request ID: 015250030  
 Transaction ID: 50607781  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2013/04/15  
 Time Report Produced: 09:59:12  
 Page: 1

# CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
2191707	CANADA INVESTMENT CORPORATION	2008/11/28
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>		<b>Date Amalgamated</b>
665 MILLWAY AVE		NOT APPLICABLE
Suite # 57		<b>Amalgamation Ind.</b>
CONCORD		NOT APPLICABLE
ONTARIO		<b>New Amal. Number</b>
CANADA L4K 3T8		NOT APPLICABLE
		<b>Notice Date</b>
		NOT APPLICABLE
<b>Mailing Address</b>		<b>Letter Date</b>
665 MILLWAY AVE		NOT APPLICABLE
Suite # 57		<b>Revival Date</b>
CONCORD		NOT APPLICABLE
ONTARIO		<b>Continuation Date</b>
CANADA L4K 3T8		NOT APPLICABLE
		<b>Transferred Out Date</b>
		NOT APPLICABLE
		<b>Cancel/Inactive Date</b>
		NOT APPLICABLE
		<b>EP Licence Eff.Date</b>
		NOT APPLICABLE
		<b>EP Licence Term.Date</b>
		NOT APPLICABLE
	<b>Number of Directors</b>	<b>Date Commenced in Ontario</b>
	Minimum Maximum	NOT APPLICABLE
	00001 00010	
<b>Activity Classification</b>		<b>Date Ceased in Ontario</b>
NOT AVAILABLE		NOT APPLICABLE

Request ID: 015250030  
 Transaction ID: 50607781  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2013/04/15  
 Time Report Produced: 09:59:12  
 Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp Number

2191707

Corporation Name

CANADA INVESTMENT CORPORATION

Corporate Name History

CANADA INVESTMENT CORPORATION

Effective Date

2008/11/28

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:  
 Name (Individual / Corporation)

HOSSEINGHOLI  
 MISSAGHI

Address

665 MILLWAY AVE  
 Suite # 57  
 VAUGHAN  
 ONTARIO  
 CANADA L4K 3T8

Date Began

2008/11/28

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 015250030  
Transaction ID: 50607781  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2013/04/15  
Time Report Produced: 09:59:12  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2191707

CANADA INVESTMENT CORPORATION

### Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2013/03/26 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.  
ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

STANBARR SERVICES LIMITED  
Applicants

-and-

METROPOLIS PROPERTIES INC.  
Respondent  
Court File No.

116

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT  
TORONTO

**AFFIDAVIT OF SERVICE**

**CHAITONS LLP**  
5000 Yonge Street, 10th Floor  
Toronto, Ontario M2N 7E9

**Doug Bourassa**  
**LSUC No. 50315C**  
Tel: (416) 218-1145  
Fax: (416) 218-1845

Lawyers for the Applicants

Court File No.

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

**STANBARR SERVICES LIMITED, JANODEE INVESTMENTS LTD., MEADOWSHIRE  
INVESTMENTS LTD., REGARD INVESTMENTS LTD., 1563503 ONTARIO LIMITED,  
BEAVER POND INVESTMENTS LTD., THE CANADA TRUST COMPANY, RITA  
ROSENBERG and 527540 ONTARIO LIMITED**

**Applicants**

**- and -**

**METROPOLIS PROPERTIES INC.**

**Respondent**

APPLICATION UNDER Sections 47(1) and 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.

**AFFIDAVIT OF SERVICE**


I, Aldona Cybulski, of the City of Vaughan in the Regional Municipality of York Region, in the Province of Ontario **MAKE OATH AND SAY AS FOLLOWS:**

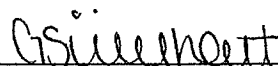
1. I am a Legal Assistant with the law firm of Chaitons LLP, lawyers for the Applicants and as such have knowledge of the matters hereinafter deposed.
2. On June 9, 2014, I served Wendy Greenspoon-Soer of Garfinkle Biderman LLP, in their capacity as counsel for Canada Investment Corporation, with the Application Record attached hereto by sending a copy of same by Envoy Courier, a courier service, to 1 Adelaide Street East, Suite 801, Toronto, Ontario M5C 2V9.
3. On June 10, 2014, I served the Respondent, Metropolis Properties Inc. with the Application Record attached hereto by sending a copy of same via email transmission to [jellyn@ellynlaw.com](mailto:jellyn@ellynlaw.com) to Igor

Ellyn of Ellyn Law LLP. Attached hereto and marked as Exhibit "A" is a true copy of the email correspondence.

SWORN before me at the City  
of Toronto, Province of  
Ontario, this 10<sup>th</sup> day  
of June, 2014

)  
)  
)  
)  
)  
)  
)

  
Aldona Cybulski

  
A Commissioner, Etc.

GILLIAN SILVERHART

THIS IS EXHIBIT "A" TO  
THE AFFIDAVIT OF SERVICE  
OF ALDONA CYBULSKI  
SWORN BEFORE ME THIS 10<sup>TH</sup>  
DAY OF JUNE, 2014.

*G. Sweeney*

\_\_\_\_\_  
*A Commissioner etc.*



**Aldona Cybulski**

---

**From:** Aldona Cybulski  
**Sent:** June 10, 2014 11:19 AM  
**To:** 'Igor Ellyn'  
**Cc:** Doug Bourassa  
**Subject:** Stanbarr Services Limited et al. v. Metropolis Properties Inc.  
**Attachments:** DOCS-#3035095-v1-  
Stanbarr\_Metropolis\_-\_APPLICATION\_RECORD\_\_(Notice\_of\_Application\_not\_issued)\_-\_sc  
anned.PDF; DOCS-#3035835-v1-  
Stanbarr\_Metropolis\_-\_Letter\_to\_Igor\_Ellyn\_seving\_Application\_Record\_-\_pdf.PDF

**Categories:** Recipient Copy

Mr. Ellyn,

Please see the attached Application Record and our covering letter.

Thank you,  
Aldona

---

**Aldona Cybulski**

Assistant To Stephen Schwartz and Doug Bourassa

Direct Tel: 416.218.1765

Direct Fax: 416.222.8402

[Aldona@chaitons.com](mailto:Aldona@chaitons.com)

5000 Yonge Street, 10th Floor, Toronto, Canada, M2N 7E9

[www.chaitons.com](http://www.chaitons.com)



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STANBARR SERVICES LIMITED  
Applicants

-and-

METROPOLIS PROPERTIES INC.  
Respondent  
Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT  
TORONTO

**AFFIDAVIT OF SERVICE**

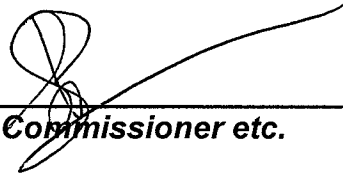
**CHAITONS LLP**  
5000 Yonge Street, 10th Floor  
Toronto, Ontario M2N 7E9

**Doug Bourassa**  
**LSUC No. 50315C**  
Tel: (416) 218-1145  
Fax: (416) 218-1845

Lawyers for the Applicants

RCP-E 4C (July 1, 2007)

**THIS IS EXHIBIT "D" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



A handwritten signature in black ink, consisting of a large loop followed by a long, sweeping horizontal stroke that extends to the right.

---

***A Commissioner etc.***

METROPOLIS PROPERTIES INC.

Respondent

Court File No. CV-14-10585-00CL

STANBARR SERVICES LIMITED ET AL.

Applicants

and

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

and the first mortgage are

June 16/14.

D. Bourassa for applicant

D. Niedzwiedzki

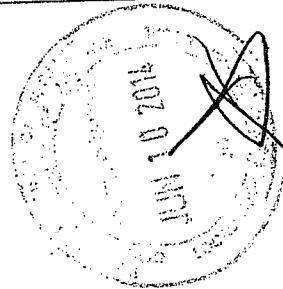
This application is to be heard on June 16/14 (2hrs.). The respondent is not to encumber, sell or otherwise dispose of this property pending the hearing of this application. The applicant is to provide a copy of this endorsement in full to the respondent forthwith.

APPLICATION RECORD

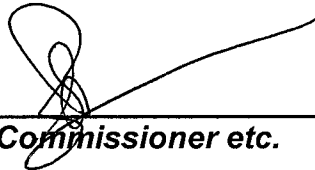
CHAITONS LLP  
Barristers and Solicitors  
5000 Yonge Street, 10th Floor  
Toronto, ON M2N 7E9

DOUG BOURASSA  
LSUC Registration No. 50315C  
Tel: (416) 218-1145  
Fax: (416) 218-1845

Lawyers for the Applicants



THIS IS EXHIBIT "E" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.

A handwritten signature in black ink, consisting of a large loop followed by a long horizontal stroke that extends to the right.

---

*A Commissioner etc.*

**Aldona Cybulski**

---

**From:** Aldona Cybulski  
**Sent:** June 11, 2014 4:06 PM  
**To:** 'Wendy Greenspoon'; 'Igor Ellyn'  
**Cc:** Doug Bourassa  
**Subject:** Stanbarr Services Limited et al. v. Metropolis Properties Inc.  
**Attachments:** DOCS-#3037596-v1-  
Stanbarr\_Metropolis\_-\_Letter\_to\_Wendy\_Greenspoon\_and\_Igor\_Ellyn\_serving\_Endorseme  
nt\_of\_Justice\_Wilton-Siegal\_dated\_June\_11\_2014.PDF

**Categories:** Recipient Copy

Sir/Madam,

Please see the attached correspondence together with the enclosure.

Thank you,  
Aldona

---

**Aldona Cybulski**  
Assistant To Stephen Schwartz and Doug Bourassa  
Direct Tel: 416.218.1765  
Direct Fax: 416.222.8402  
[Aldona@chaitons.com](mailto:Aldona@chaitons.com)

5000 Yonge Street, 10th Floor, Toronto, Canada, M2N 7E9  
[www.chaitons.com](http://www.chaitons.com)



---

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REPLY TO: DOUG BOURASSA  
FILE NO.: 54729  
DIRECT: 416-218-1145  
FAX: 416-218-1845  
EMAIL: doug@chaitons.com

June 11, 2014

**VIA EMAIL & FACSIMILE**

Ellyn Law LLP  
Business Litigation & Arbitration Lawyers  
20 Queen Street West  
Suite 3000  
Toronto, Ontario M5H 3R3

**Attention: Igor Ellyn**

**Wendy Greenspoon**  
Garfinkle Biderman LLP  
Dundee Place, Suite 801  
1 Adelaide Street East  
Toronto, ON M5C 2V9

**VIA COURIER**

Metropolis Properties Inc.  
665 Millway Avenue  
Unit 57  
Concord, Ontario L4K 3T8

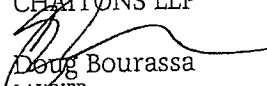
Canada Investment Corporation  
665 Millway Avenue  
Unit 57  
Concord, Ontario L4K 3T8

**Re: Stanbarr Services Limited et al. v. Metropolis Properties Inc.**

Dear Sirs/Madam,

Please find enclosed a copy of the Endorsement of the Honourable Mr. Justice Wilton-Siegal served in accordance with His Honour's order.

Yours truly,  
CHAITONS LLP

  
Doug Bourassa  
LAWYER  
DB/ac

encl.

STANBARR SERVICES LIMITED ET AL.

Applicants

METROPOLIS PROPERTIES INC.

Respondent

Court File No. CV-14-10585-00CL

and

June 16/14.

D. Bourassa for applicant  
D. Need 3 vices

This application is to be heard on June 16/14 (Ems.). The respondent ~~is~~ not to encumber, sell or otherwise dispose of this property pending the hearing of this application. The applicant ~~is~~ to provide a copy of this endorsement in ~~the~~ <sup>an</sup> affidavit to the court further forthwith.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

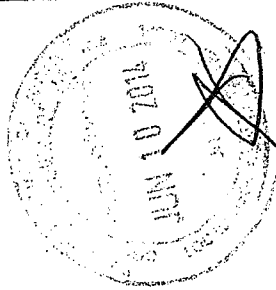
and the first mortgage are

APPLICATION RECORD

CHAITONS LLP  
Barristers and Solicitors  
5000 Yonge Street, 10th Floor  
Toronto, ON M2N 7E9

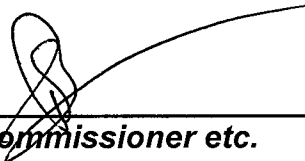
DOUG BOURASSA  
LSUC Registration No. 50315C  
Tel: (416) 218-1145  
Fax: (416) 218-1845

Lawyers for the Applicants





**THIS IS EXHIBIT "F" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**

A handwritten signature in black ink, consisting of a large loop followed by a long, sweeping horizontal stroke that extends to the right.

---

***A Commissioner etc.***

STANBARR SERVICES LIMITED ET AL.

Applicants

and

METROPOLIS PROPERTIES INC.

Respondent

Court File No. CV-14-10585-00CL

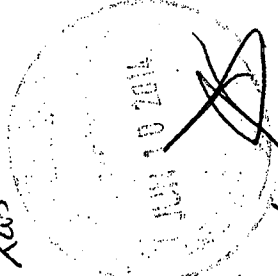
June 16/14.

D. Bourassa for applicant  
D. Niedziwiecki

This application is to be heard on June 16/14 (this). The respondent ~~is~~ not to encumber, sell or otherwise dispose of this property pending the hearing of ~~the~~ my application. The applicant ~~is~~ to receive a copy of this endorsement on Wilson Hill J. when further forthwith.

June 16/14

The respondent does not appear. The First Mate, although named, did not appear. Order to go in accordance with draft filed. The respondent has commenced a process, attacking the validity of the 92<sup>nd</sup> mortgage and a hearing date is set for Sept 17/14. I will not vacate that date at this time, but I would ask the Receiver to report to this Court by mid-July on whether that date should be preserved or some other course of action is appropriate.



*[Signature]*  
D.H. BRUNT

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

*and the first mortgage are*

APPLICATION RECORD

CHAITONS LLP  
Barristers and Solicitors  
5000 Yonge Street, 10th Floor  
Toronto, ON M2N 7E9

DOUG BOURASSA  
LSUC Registration No. 50315C  
Tel: (416) 218-1145  
Fax: (416) 218-1845

Lawyers for the Applicants

**THIS IS EXHIBIT "G" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



---

*A Commissioner etc.*

### Properties

*PIN* 21197 - 0211 LT *Interest/Estate* Fee Simple  
*Description* LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179 TORONTO AS IN  
CA804669, CITY OF TORONTO  
*Address* 91 93 SCOLLARD STREET  
TORONTO

### Source Instruments

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
CA805794	2004 05 04	Charge/Mortgage
AT3373420	2013 08 09	Transfer Of Charge

### Consideration

*Consideration* \$5,875,000.00

### Transferor(s)

The transferor(s) hereby transfers the land to the transferee(s).

*Name* CANADA INVESTMENT CORPORATION  
*Address for Service* 665 Millway Avenue, Unit 75, Concord,  
Ontario, L4K 3T8

I, Hosseingholi Missaghi have the authority to bind the corporation.  
I am at least 18 years of age.  
I am not a spouse  
This document is not authorized under Power of Attorney by this party.

### Transferee(s)

<i>Name</i>	<i>Capacity</i>	<i>Share</i>
2413913 ONTARIO LTD. <i>Address for Service</i> 23-500 Fairway Road South Suite 108 Kitchener, Ontario N2C 1X3	Registered Owner	

### Document(s) to be Deleted

The encumbrance(s) listed in the related deletions field is/are subsequent in priority to the charge and is/are to be deleted

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
CA805794	2004/05/04	Charge/Mortgage
AT1134948	2006/05/11	Charge/Mortgage
AT1195047	2006/07/11	Charge/Mortgage
AT1196995	2006/07/13	Charge/Mortgage
AT1390328	2007/03/02	Charge/Mortgage
AT1465883	2007/06/05	Charge/Mortgage
AT1537579	2007/08/13	Charge/Mortgage
AT1859828	2008/08/08	Charge/Mortgage
AT1904123	2008/09/23	Notice
AT2131098	2009/07/28	Charge/Mortgage
AT2131099	2009/07/28	Charge/Mortgage
AT2204857	2009/10/16	Charge/Mortgage
AT2236096	2009/11/24	Transfer Of Charge
AT2236404	2009/11/24	Notice
AT2271336	2010/01/05	Notice Of Change Of Address For Service-Instrument
AT3007856	2012/05/03	Charge/Mortgage
AT3082347	2012/07/24	Charge/Mortgage
AT3373420	2013/08/09	Transfer Of Charge
AT3467444	2013/12/02	Postponement Of Interest
AT3467445	2013/12/02	Postponement Of Interest

**Document(s) to be Deleted**

The encumbrance(s) listed in the related deletions field is/are subsequent in priority to the charge and is/are to be deleted

Registration No.	Date	Type of Instrument
AT3467446	2013/12/02	Postponement Of Interest
AT3467447	2013/12/02	Postponement Of Interest
AT3469235	2013/12/03	Transfer Of Charge
AT3474067	2013/12/10	Postponement Of Interest

- 132

**Statements**

The document is authorized under the charge and the Mortgages Act.

The sale proceedings and transfer comply with the charge, the Mortgages Act, and if applicable the Bankruptcy and Insolvency Act (Canada), the Condominium Act, the Construction Lien Act and the Farm Debt Mediation Act (Canada).

The charge was in default at the time notice of sale was given and continues to be in default and the money has been advanced under the charge.

Notice of the transfer of charge and the address for the new chargee, was served on the registered owner(s) as well as all the parties having any interest in the land and the charge was in default when the chargee entered into an agreement of purchase and sale of the charge and continues to remain in default.

This transaction is not subject to any writs of execution

Title to the land is not subject to spousal rights under the Family Law Act

Schedule: The Notice of Sale was issued on November 28th, 2013. The following documents are to be deleted as per the power of sale proceeding: AT1134955; AT1195052; AT3373421. Please note that the following are source documents: CA805794; AT2236096; AT3373420

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFeree (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

**Signed By**

Rasik Behari Mehta 25 Mallard Road acting for Signed 2014 06 04  
Toronto Transferor(s)  
M3B 1S4

Tel 647-772-6161  
Fax 800-205-0017

I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s).

I have the authority to sign and register the document on behalf of the Transferor(s).

Jonathane Michael Ricci 3230 Yonge Street, Suite 200 acting for Signed 2014 06 04  
Toronto Transferee(s)  
M4N 3P6

Tel 647-260-4863  
Fax 416-342-1784

I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).

I have the authority to sign and register the document on behalf of the Transferee(s).

**Submitted By**

THE LAW OFFICE OF JONATHANE RICCI 3230 Yonge Street, Suite 200 2014 06 06  
Toronto  
M4N 3P6

Tel 647-260-4863  
Fax 416-342-1784

**Fees/Taxes/Payment**

Statutory Registration Fee \$60.00  
Provincial Land Transfer Tax \$86,600.00

<b>Fees/Taxes/Payment</b>	
---------------------------	--

Municipal Land Transfer Tax	\$85,850.00
Total Paid	\$172,510.00

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**PROVINCIAL AND MUNICIPAL LAND TRANSFER TAX STATEMENTS**

In the matter of the conveyance of: 21197 - 0211 LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179  
TORONTO AS IN CA804669, CITY OF TORONTO

BY: CANADA INVESTMENT CORPORATION

TO: 2413913 ONTARIO LTD.

Registered Owner

134

1. SAI MOHAMMED

I am

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- (c) A transferee named in the above-described conveyance;
- (d) The authorized agent or solicitor acting in this transaction for \_\_\_\_\_ described in paragraph(s) ( ) above.
- (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for 2413913 ONTARIO LTD. described in paragraph(s) (c) above.
- (f) A transferee described in paragraph() and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph( ) and as such, I have personal knowledge of the facts herein deposited to.

2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:

does not contain a single family residence or contains more than two single family residences.


3. The total consideration for this transaction is allocated as follows:

(a) Monies paid or to be paid in cash	5,875,000.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	5,875,000.00
(h) VALUE OF ALL CHATTELS -items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	5,875,000.00

PROPERTY Information Record

- A. Nature of Instrument: Transfer: Power Of Sale  
LRO 80 Registration No. AT3601911 Date: 2014/06/06
- B. Property(s): PIN 21197 - 0211 Address 91 93 SCOLLARD STREET Assessment -  
Roll No  
TORONTO
- C. Address for Service: 23-500 Fairway Road South  
Suite 108  
Kitchener, Ontario  
N2C 1X3
- D. (i) Last Conveyance(s): PIN 21197 - 0211 Registration No. CA805663  
(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes  No  Not known
- E. Tax Statements Prepared By: Jonathane Michael Ricci  
3230 Yonge Street, Suite 200  
Toronto M4N 3P6

**THIS IS EXHIBIT "H" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



---

*A Commissioner etc.*



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Court File No. CV-

CV-14-505351

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

**METROPOLIS PROPERTIES INC.,  
MASOUMEH SHAER VALAEI**

Applicants

- and -

**527540 ONTARIO LIMITED**

Respondent

**AFFIDAVIT OF ARA MISSAGHI  
(SWORN MAY 30, 2014)**

I, Ara Missaghi, of the City of Vaughan, MAKE OATH AND SAY AS FOLLOWS:

**Background**

1. I am the Manager of the Applicant, Metropolis Properties Inc. ("Metropolis"), and therefore have knowledge of the matters to which I hereby swear. Where my knowledge is indicated to be on information or belief, I verily believe it to be true.
2. Metropolis is the owner of a property located at 91 Scollard Street, in Yorkville, in Toronto, Ontario (the "Property"). The Property is half of a semi-detached commercial four story building located on one of Yorkville's main streets.
3. The Property had 11 mortgages on it as of May 3, 2012. A copy of the property register for the Property is attached to this affidavit as Exhibit "A".

**527540 Ontario's 12<sup>th</sup> Mortgage**

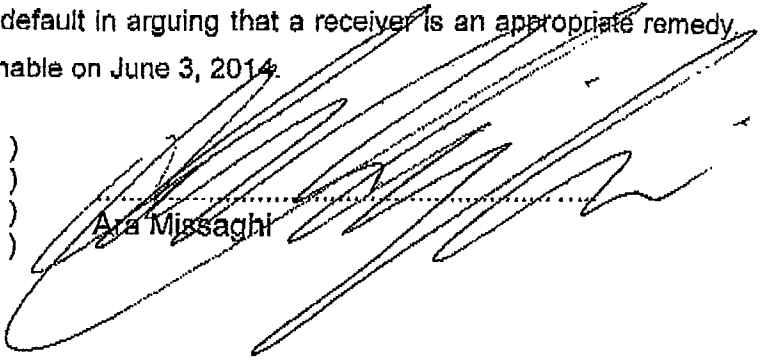
4. On July 24, 2012, the Respondent, 527540 Ontario Limited ("527") caused to be registered a 12<sup>th</sup> mortgage in the amount of \$1,650,000 on the Property (the "Charge"). A copy of the Charge is attached to this affidavit as Exhibit "B".
5. The Charge indicates that Masoumeh Shaer Valaei is the guarantor the mortgage ("Valaei").
6. The provisions of the charge are as follows:
  - a. The mortgage is due on September 9, 2013;
  - b. The interest rate is 11.0%; and
  - c. Payments were to be made on the first of each month in the amount of \$15,125.00.
7. At no time did Metropolis agree to the Charge or sign any document agreeing to the Charge.
8. Furthermore, at no time did Metropolis receive the principal amount of the mortgage.

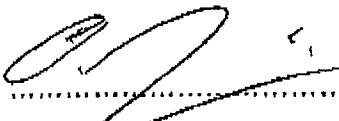
**527540 Ontario's Suspended Lawyer**

9. The Charge was registered by Golnaz Vakili, a lawyer acting for 527.
10. I am advised by Valaei that at no time did she sign any Director's Resolution providing any charge or mortgage to 527.
11. A copy of an alleged Resolution of the Directors of Metropolis Properties Inc. has been obtained from court documents filed in another matter which appears to indicate that Metropolis agreed to provide 527 with a second charge on the Property to secure the loan of \$1,650,000 and a Notice of Assignments of Rents from the Property. A copy of the alleged Resolution is attached to this affidavit as Exhibit "C". Valaei advises me that she did not sign this document.
12. Valaei advises me that she also has never met Vakili.
13. I did not learn of the registration of this Charge until April 2013 when the commencement of another action involving Metropolis included motion material which brought the charge to my attention.

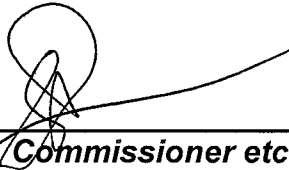
- 14. At no time did Metropolis have any agreement with 527. There had been some discussions with 527 about a replacement first mortgage that would have paid out all the other existing mortgages on the Property. But nothing had ever been agreed to.
- 15. Upon learning of the Charge, I spoke to Tova Marks, the principal of 527 and asked her about the Charge. She advised me that 527 had advanced the funds to its lawyer, Vakili.
- 16. Vakili appears to have provided a report to 527 dated August 2, 2012 wherein she indicates that she had placed a second mortgage on the Property in favour of 527 in the amount of \$1,650,000. A copy of the report is attached to this affidavit as Exhibit D". Of course, this is false as the Charge was in fact a 12<sup>th</sup> charge.
- 17. Vakili was suspended by the Law Society of Upper Canada on May 1, 2013. A copy of the Order is attached to this affidavit as Exhibit "E".
- 18. In an e-mail between the Law Society and Ben Frydenberg of Chaitons, the Law Society advised they had been appointed trustee over Vakili's practice and that they did not recover any files from her office. A copy of the e-mail is attached to this affidavit as Exhibit "F".
- 19. At no time has Metropolis made any payments to 527. At no time has 527 taken any assignment of rents from the Property.
- 20. 527 issued a Notice of Sale dated August 2, 2013. A copy of the Notice is attached to this affidavit as Exhibit "G". 527 has taken no steps to enforce the Charge since then.
- 21. There is some urgency to this matter as the 13<sup>th</sup> mortgagee, 2329916 Ontario Limited, has brought an application to appoint a receiver over the Property. They rely on the validity of 527's mortgage and that it is allegedly in default in arguing that a receiver is an appropriate remedy. The receivership application is returnable on June 3, 2014.

SWORN before me  
 The City of Toronto  
 Province of Ontario  
 On May 30, 2014

)  
 )  
 )   
 )  
 Ara Missaghi

  
 .....  
 A Commissioner, etc.  
 ORIE H. NIEDZWIECKI

**THIS IS EXHIBIT "I" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



A handwritten signature in black ink, consisting of a large loop and a long horizontal stroke, is written over a solid horizontal line.

*A Commissioner etc.*

Industry Canada

Office of the Superintendent of Bankruptcy Canada

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### Bankruptcy and Insolvency Records Search (BIA) search results |

#### Résultats de la recherche dans le Registre des dossiers de faillite et d'insolvabilité (LFI)

2014-07-07

Search Criteria | Critères de recherche :

ID | Identification = 31-374354

Reference | Référence :

A search of the Office of the Superintendent of Bankruptcy records has revealed the following information, for the period 1978 to 2014-07-03, based on the search criteria above-mentioned.

Une recherche dans les dossiers du Bureau du surintendant des faillites a permis de trouver l'information suivante, pour la période allant de 1978 à 2014-07-03, selon les critères de recherche susmentionnés.

BIA Estate Number |

31-374354

Numéro du dossier en vertu de la LFI :

BIA Estate Name |

MISSAGHI, ARASH

Nom du dossier en vertu de la LFI :

Alias:

MISSAGHI ARASH  
MISSAGHI ARA

Birth Date | Date de naissance :

1970-04-29

Province :

Ontario | Ontario

Address | Adresse :

19 KILLARNEY STREET, RICHMOND HILL, Ontario, L4B3G4

Estate Type | Type de dossier :

BANKRUPTCY | FAILLITE

Date of Proceeding | Date de la procédure :

2000-04-20

Total Liabilities\* | Total du passif\* :

\$1,001

Total Assets\* | Total de l'actif\* :

\$1

First Meeting of Creditors |

2000-06-28 11:00:00

Première assemblée des créanciers :

Discharge Status | Statut de la libération :

HEARING ADJOURNED | AUDITION REMISE

Court Number | Numéro de cour :

31-374354

\*As declared by debtor | Tel que déclaré par le débiteur

Appointed Trustee or Administrator |

SCHWARTZ LEVITSKY FELDMAN INC.

Syndic ou administrateur nommé :

Responsible Person | Personne responsable :

PAGE, ALAN HERBERT

Address | Adresse :

2300 Yonge Street, Suite 1500, Toronto, Ontario, Canada,  
M4P1E4

Telephone | Téléphone :

416-785-5353

Fax | Télécopieur :

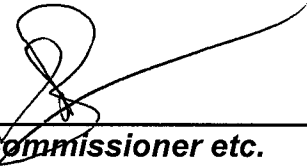
416-784-3025

Trustee or Administrator's Discharge Date |

2014-04-28

Date de la libération du syndic ou de l'administrateur :

**THIS IS EXHIBIT "J" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



A handwritten signature in black ink, consisting of a large loop followed by a long horizontal stroke that extends to the right.

---

***A Commissioner etc.***



Industry Canada

Home > Corporations > Corporations Canada > Search for a Federal Corporation

## Corporations Canada

### Federal Corporation Information - 6035051

[Glossary of Terms used on this page](#)

[Return to Search Results](#)

[Start New Search](#)

#### Corporation Number

6035051

#### Business Number (BN)

856736244RC0001

#### Governing Legislation

Canada Business Corporations Act - 2002-11-07

#### Corporate Name

METROPOLIS PROPERTIES INC.

#### Status

Active

#### Registered Office Address

665 MILLWAY AVE  
UNIT 57  
CONCORD ON L4K 3T8  
Canada

Active CBCA corporations are required to [update this information](#) within 15 days of any change.

#### Directors

##### Minimum

1

##### Maximum

10

To obtain addresses of directors, [contact Corporations Canada](#) by email or fax.

#### Directors

MASOUMEH SHAER VALE

Active CBCA corporations are required to [update this information](#) within 15 days of any change.

#### Annual Filings

##### Anniversary Date (MM-DD)

11-07

##### Date of Last Annual Meeting

2011-11-07

##### Annual Filing Period (MM-DD)

11-07 to 01-06

##### Type of Corporation

Non-distributing corporation with 50 or fewer shareholders

##### Status of Annual Filings

2013 - Due to be filed

2012 - Overdue

2011 - Filed

## Corporate History

### Corporate Name History

---

2002-11-07 to 2006-01-23  
METROPOLIS PROPERTIES INC.

2006-01-23 to Present  
METROPOLIS PROPERTIES INC.

### Certificates and Filings

---

#### Certificate of Incorporation

2002-11-07

#### Certificate of Dissolution

2006-01-04

#### Certificate of Revival

2006-01-23

#### Certificate of Dissolution

2011-12-10

#### Certificate of Revival

2012-03-09



Request ID: 015250030  
 Transaction ID: 50607781  
 Category ID: UN/E

Province of Ontario  
 Ministry of Government Services

Date Report Produced: 2013/04/15  
 Time Report Produced: 09:59:12  
 Page: 1

# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2191707	CANADA INVESTMENT CORPORATION	2008/11/28
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address		Date Amalgamated
		Amalgamation Ind.
665 MILLWAY AVE		NOT APPLICABLE
		NOT APPLICABLE
Suite # 57		New Amal. Number
CONCORD		Notice Date
ONTARIO		NOT APPLICABLE
CANADA L4K 3T8		NOT APPLICABLE
		Letter Date
Mailing Address		NOT APPLICABLE
		Revival Date
665 MILLWAY AVE		Continuation Date
		NOT APPLICABLE
Suite # 57		Transferred Out Date
CONCORD		Cancel/Inactive Date
ONTARIO		NOT APPLICABLE
CANADA L4K 3T8		NOT APPLICABLE
		EP Licence Eff.Date
		EP Licence Term.Date
		NOT APPLICABLE
		NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum	in Ontario
	Maximum	Date Ceased
		in Ontario
Activity Classification	00001	00010
NOT AVAILABLE		NOT APPLICABLE
		NOT APPLICABLE

Request ID: 015250030 Province of Ontario  
Transaction ID: 50607781 Ministry of Government Services  
Category ID: UN/E

Date Report Produced: 2013/04/15  
Time Report Produced: 09:59:12  
Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp Number

2191707

Corporation Name

CANADA INVESTMENT CORPORATION

Corporate Name History

CANADA INVESTMENT CORPORATION

Effective Date

2008/11/28

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:  
Name (Individual / Corporation)

HOSSEINGHOLI

MISSAGHI

Address

665 MILLWAY AVE

Suite # 57  
VAUGHAN  
ONTARIO  
CANADA L4K 3T8

Date Began

2008/11/28

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 015250030 Province of Ontario  
Transaction ID: 50607781 Ministry of Government Services  
Category ID: UN/E

Date Report Produced: 2013/04/15  
Time Report Produced: 09:59:12  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number

2191707

Corporation Name

CANADA INVESTMENT CORPORATION

### Last Document Recorded

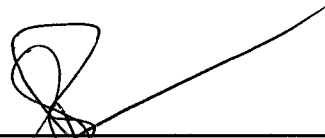
Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2013/03/26 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

**THIS IS EXHIBIT "K" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



---

***A Commissioner etc.***



# Charge/Mortgage of Land

Do Process Software Ltd. • (416) 322-8111  
Form 2 — Land Registration Reform Act  
File 1950-542

**B**

**CA 805794**

CERTIFICATE OF REGISTRATION  
CERTIFICAT D'ENREGISTREMENT  
TORONTO

'04 05 4 13 00

New Property Identifiers: 3  
LAND REGISTRAR Additional: See Schedule

Executions Additional: See Schedule

(1) Registry  Land Titles  (2) Page 1 of 7 pages **B**

(3) Property Identifier(s) Block 21197 Property 0071 Additional: See Schedule

(4) Principal Amount  
**ONE MILLION TWO HUNDRED THOUSAND**  
Dollars \$ 1,200,000.00

(5) Description  
Lot 35 and Part of Lot 34, on the South Side of Scollard Street, Plan 179, City of Toronto, Registry Division of the Toronto Registry Office No. 66, and more particularly described in Schedule attached hereto.  
As previously described in Deed No. ~~CA805663~~  
**CA804669**

(6) This Document Contains (a) Redescription New Easement  Plan/Sketch (b) Schedule for: Description  Additional Parties  Other  (7) Interest/Estate Charged Fee Simple

(8) Standard Charge Terms — The parties agree to be bound by the provisions in Standard Charge Terms filed as number **8651** and the Chargor(s) hereby acknowledge(s) receipt of a copy of these terms.

(9) Payment Provisions

(a) Principal Amount \$	1,200,000.00			(b) Interest Rate	6.150	% per annum	(c) Calculation Period	half-yearly not in advance			
(d) Adjustment Date	Y	M	D	(e) Payment Date and Period	5th day of each month			(f) First Payment Date	Y	M	D
Last	2004	05	05	Amount	THIRTEEN THOUSAND THREE HUNDRED SIXTY SIX			28/100			
(g) Payment Date	2009	05	05	(h) of Each Payment	Dollars \$ 13,366.28						
(i) Balance Due Date	2009	05	05	(j) Insurance	Full Replacement Value			Dollars \$			

(10) Additional Provisions

Continued on Schedule

(11) Chargor(s) The chargor hereby charges the land to the charges ~~acknowledged that the chargor does not have any other charges on the land~~

The chargor(s) acknowledge(s) receipt of a true copy of this charge.

Name(s) **METROPOLIS PROPERTIES INC.**

Signature(s) *Layla Alizadeh* Date of Signature Y M D 2004 04 26

Per: *Layla Alizadeh*  
Name: Layla Alizadeh  
Title: President

**I have authority to bind the Corporation**

(12) Spouse(s) of Chargor(s) I hereby consent to this transaction. and Guarantor(s)

Name(s) **ALIZADEH, Layla (Guarantor)**

Signature(s) \_\_\_\_\_ Date of Signature Y M D 2004 04 26

(13) Chargor(s) Address for Service **7825 Bayview Avenue, Suite 511, Thornhill, Ontario L3T 7N2**

(14) Chargee(s) **THE EQUITABLE TRUST COMPANY**

(16) Chargee(s) Address for Service **30 St. Clair Ave. West, Suite 700, Toronto, Ontario M4V 3A1**

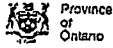
(18) Assessment Roll Number of Property	Cty.	Mun.	Map	Sub.	Par.
	19	04	852	290	02300

(17) Municipal Address of Property **91-93 Scollard Street  
Toronto, Ontario  
M5R 1G4**

(18) Document Prepared by: **Barry M. Poisuk  
Garfinkle, Biderman LLP  
1 Adelaide Street East  
Suite 1401  
Toronto, Ontario.  
M5C 2V9**

FOR OFFICE USE ONLY

Fees	
Registration Fee	60
Total	



# Schedule

Do Process Software Ltd. • (416) 322-6111

Form 5 — Land Registration Reform Act

Page 2

S 149

**Additional Property Identifier(s) and/or Other Information**

**Description (continued):**

ALL AND SINGULAR that certain parcel or tract of land and premises situate lying and being in the City of Toronto, and being composed of all of Lot 35 and Part of Lot 34 on the South side of Scollard Street, as shown on Plan 179, registered in the Registry Division of the Toronto Registry Office and more particularly described as follows:

COMMENCING at the northwest angle of Lot 35;

THENCE SOUTH along the westerly limit of Lot 35 to the southwest angle thereof;

THENCE EASTERLY along the southerly limit of Lots 35 and Lot 34 to a point distant three inches (3") measured westerly from the southeast angle of Lot 34;

THENCE NORTHERLY in a straight line a distance of seventy-five feet (75') to a point in the northerly limit of Lot 34 distant six and one-half inches (6 1/2") measured westerly from the northeast angle of Lot 34;

THENCE WESTERLY along the northerly limits of Lots 34 and 35 to the place of commencement.

FOR OFFICE  
USE ONLY

**ADDITIONAL PROVISIONS**

**THE AMOUNTS SET FORTH HEREIN SUPERSEDE ANY AMOUNTS THAT MAY BE CONTAINED IN THE CHARGE OR STANDARD CHARGE TERMS.**

NOTWITHSTANDING anything to the contrary contained in the Standard Charge Terms (and in the event of any contradiction, the following provisions shall prevail), the Chargor covenants and agrees with the Chargee as follows:

- 1) To pay to the Chargee its administration and/or servicing fees for the following matters, in the amounts set forth:
  - a) Missed Payment Fee (payable for each missed or late installment and for processing each "NSF" cheque or other returned payment) - \$200.00.  
  
Provided that if any cheque is returned NSF, any replacement cheque must be certified. If such replacement cheque is not certified, the Chargee shall be entitled to have it certified, and to add all the costs of certification (including courier charges to and from the Chargor's Bank) to the amount owing on the Mortgage.
  - b) Insurance (payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements) - \$200.00.
  - c) Taxes – for tax status inquiry - \$200.00 plus costs of municipal tax certificate.
  - d) Default proceedings (payable for each demand letter, action or proceeding instituted) - \$750.00
  - e) Amortization Schedule (preparation) - \$25.00.
  - f) Mortgage Statements (for preparation of each Statement) - \$100.00.
  - g) Discharge Administration Fee - \$250.00.
  - h) On default payment of an amount equal to three month's interest on the principal balance outstanding.
  - i) Purchaser Approval – for processing each application for assumption, whether or not approved or completed - \$500.00 (minimum).
  - j) PPSA Registration Fee – including, but not limited to, registration of renewal, discharge, name change, etc. - \$100.00.
- 2) The Chargor agrees to pay all legal and other expenses incurred by the Chargee in connection with the preparation and registration of any security interests pursuant to the Personal Property Security Act and any renewals thereof forthwith upon demand and such fees and expenses, together with interest thereon at the interest rate charged hereunder, shall be added to the principal sum secured by the within charge if not paid by the Chargor.
- 3) In the event of the Chargor further encumbering the property without the prior written consent of the Chargee, such further encumbering shall constitute a default under this mortgage and in such event, at the sole option of the Chargee, all money owing under the herein mortgage shall immediately become due and payable.
  - a) The Chargor covenants and agrees with the Chargee that the Chargor will obtain the prior written consent of the Chargee before executing any lease, offer or agreement to lease, or any tenancy agreement for the lease of the whole or any part of the Charged property regardless of the length of term of any such lease, offer or agreement to lease, or tenancy agreement.

- b) The Chargor further covenants and agrees with the Chargee that forthwith after any change or happening affecting any of the leases, offers or agreements to lease, or any tenancy agreements the Chargor will forthwith advise the Chargee accordingly in writing and will furnish the Chargee with full particulars thereof.
  - c) If the charged property is leased in whole, or in part, by the Chargor without the prior written consent of the Chargee, or if the Chargor fails to inform the Chargee of any change or happening affecting any of the leases as set out above all sums secured hereunder, together with accrued interest and unearned interest thereon until maturity shall at the Chargee's option forthwith become due and payable.
- 4) PREPAYMENT COSTS
- a) The Chargor shall be permitted to prepay the whole or any part of the principal sum secured under this Charge prior to the Balance Due Date, subject to compliance with the prepayment conditions as set out in subparagraph (b) hereof.
  - b) If prepayment of any part of the principal sum secured hereunder is made prior to the Balance Due Date, whether by reason of payment after acceleration upon the occurrence of a default or as otherwise permitted hereunder, the Chargor agrees to indemnify and save the Chargee harmless from all costs and losses resulting therefrom and to pay to the Chargee the greater of:
    - (i) Three (3) months' interest on the principal amount prepaid at the rate of interest chargeable hereunder at the time of prepayment as hereinbefore set out; and
    - (ii) The full amount of any reasonable costs, losses, expenses, penalties and charges incurred or suffered by the Chargee as a result of such prepayment as determined by the Chargee, including, without limitation, the amount, if any, by which interest chargeable hereunder for the remainder of the term exceeds at the time of prepayment the interest which the Chargee would then charge a chargor on similar security provided for a term commencing on the date of prepayment and expiring on the Balance Due Date of this Charge (collectively, the "Costs").
  - c) If the principal sum, accrued interest thereon and any of the sums which may be due hereunder is not repaid until after the Balance Due Date, then the Chargor agrees to pay to the Chargee, in addition to the amounts required to obtain a discharge, three months interest at the rate of interest chargeable hereunder on the principal amount outstanding on the Balance Due Date.
- A certificate from an officer of the Chargee as to the amount of the Costs shall be conclusive and binding upon the Chargor, in the absence of manifest error.
- 5) In respect of Mortgages/Charges that are registered in the electronic registration system, the Chargor shall pay the cost of the Chargees legal fees to prepare the discharge and cost of registration.



## SCHEDULE "A"

1. Realty Taxes The Chargor will pay an additional monthly payment of 1/12th of the estimated annual realty taxes assessed against the subject property. This payment will be adjusted from time to time in order to pay the taxes as they fall due. The Chargee reserves the right to allocate a portion of the initial advance of the Charge funds towards the final estimated realty taxes for the initial year of the term.
2. Assignment of Rents As further security to this Charge, the Chargor covenants and agrees to grant to the Chargee a specific assignment of all rents and leases of premises in the building on the lands comprising the security of this Charge.
3. Environmental The Chargee or agent of the Chargee may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon the said lands to inspect the land and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee (or its respective agents) may enter upon the said lands to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee; and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the mortgage rate, shall be payable by the Chargor forthwith and shall be a charge upon the said lands. The exercise of any of the powers enumerated in this clause shall not deem the Chargee, or its respective agents to be in possession, management or control of the said lands and buildings.

In consideration of the advance of funds by the Chargee, the Chargor hereby agrees that, in addition to any liability imposed on the Chargor under any instrument evidencing or securing the loan indebtedness, the Chargor shall be jointly and severally liable for any and all of the costs, expenses, damages or liabilities of the Chargee, its directors and officers (including, without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances and such liability shall survive foreclosure of the security for the loan and any other existing obligations of the Chargor to the Chargee in respect of the loan and any other exercise by the Chargee of any remedies available to them for any default under the loan.
4. Due on Sale The Chargor covenants and agrees with the Chargee that in the event of the Chargor selling, conveying, transferring or entering into an agreement for sale or of transfer of title of the property hereby mortgaged to a purchaser or transferee not approved, in writing, by the Chargee, which approval shall not unreasonably be withheld, all monies hereby secured with accrued interest thereon shall at the option of the Chargee forthwith become due and payable.
5. No Further Encumbrances The Chargor shall not, without the Chargee's prior written approval, charge or otherwise encumber the property or any part thereof or its interest therein.
6. Financial Statements Until repayment of the mortgage loan and upon request by the Chargee, the Chargor covenants to provide the Chargee detailed financial statements in accordance with the terms of the mortgage loan commitment letter referable to the subject loan transaction dated April 2, 2004, as same may be amended from time to time (the "Letter of Commitment"), issued to the Chargor. Failure to deliver the said financial statements and/or other related information shall constitute an event of default under this Charge.
7. Professional Management At all times the Chargor is to provide professional management of the Property satisfactory to the Chargee. Any change in the management of the Property shall require the prior written consent of the Chargee, both as to the manager and the terms and conditions of the management agreement. The Chargee acknowledges that the Chargor will be managing the Property on closing.
8. Survival of Commitment The terms, conditions, representations and warranties expressed herein and in the Letter of Commitment shall continue in effect as long as any part of the Loan amount remains outstanding and shall bind the personal representatives, heirs, successors and assigns of the Lender, the Borrower and each Guarantor, if any, and shall

enure to the benefit of the successors and assigns of the Lender, the Borrower and each Guarantor.

Any default by the Borrower with regard to any provision of the Letter of Commitment shall constitute a default under this Charge..

9. Prepayment Privilege Provided that the Chargor has never been in default for more than seven days hereunder, the Chargor, when not in default, shall have the privilege or prepaying up to TEN PER CENT (10.00%) of the original amount of the mortgage once annually non-cumulatively, on each anniversary date of the interest adjustment date, without notice or bonus.
10. Definitions In construing the terms hereof, the words "Charge", "Chargee", "Chargor", "land" and "successor" shall have the meanings assigned to them in Section 1 of the *Land Registration Reform Act* and the words "Chargor" and "Chargee" and the personal pronouns "he", "she", "her" and "his" relating thereto and used therewith shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees, and "he", "she", "they", or "it", "his", "her", their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee, or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

Throughout this Charge, the terms "Mortgagor" and "Borrower" shall be interchangeable with the word "Chargor" and shall mean the Chargor. Throughout this Charge, the terms "Mortgagee" and "Lender" shall be interchangeable with the word "Chargee" and shall mean the Chargee. The terms "Charge" and "Mortgage" shall also be interchangeable and shall mean this Charge in its entirety.

The paragraph headings in the provisions hereto are inserted for convenience of reference only and are deemed not to form part of the Charge and are not to be considered in the construction or interpretation of the Charge or any part thereof.

## SCHEDULE "B"

## GUARANTOR(S)

The Guarantor(s) in consideration of the Chargee making the said loan herein and the sum of One (\$1.00) Dollar now paid to him by the said Chargee (the receipt of which is hereby acknowledged) do hereby jointly and severally covenant with the said Chargee as principal debtor and not as surety that he/she/they will pay and truly cause to be paid to the said Chargee the Principal and Interest hereby secured as and when such monies fall due, all taxes, rates and assessments, municipal, local or parliamentary and otherwise which now are or which may hereafter be imposed, charged or levied upon the said lands and premises.

And the said Guarantor(s) does further covenant and agree to and with the Chargee that should default be made hereunder and so often as the same may occur, the Guarantor(s) will forthwith pay unto the Chargee the amount or amounts that may be in default and will forthwith observe, keep and perform the conditions and covenants herein contained by and on the part of the said Chargor to be kept, performed and observed.

It is further agreed that the said Chargee may at any time or times and from time to time extend or agree to extend the time for payment of any or all the monies secured by the said Charge or may refrain from enforcing payments thereof and may alter the terms and time of payment thereof or the rate or time of payment of interest thereon and may release any part of the lands hereby charged or any other person liable on any covenant or any other security, collateral or otherwise, or otherwise deal with this Charge and with the Chargor in whatsoever manner that the Chargee shall think proper from time to time without notice to the Guarantor(s) and without the consent of the Guarantor(s) and notwithstanding same, the Guarantor(s) shall remain fully liable under the foregoing covenants so long as any monies are remaining due or unpaid to the Chargee on this loan.

The Guarantor(s) further agrees that these covenants shall bind him and shall continue to subsist notwithstanding his/her/their death or the giving of time for payment of the Charge or the varying of the terms of payment thereof or the rate of interest thereon.

The Guarantor(s) hereby further covenants and agrees that this absolute and unconditional guarantee and indemnity shall continue in full force and effect and shall in no way be impaired, restricted, released, waived, eliminated, terminated, modified, or in any other way become unenforceable by reason of the Chargor's bankruptcy, insolvency, reorganization or any other proceeding by or against the Chargor or for any other reason.

The Guarantor(s) do further agree that the Chargee shall not be bound to exhaust its recourse against the Chargor or the charged premises before being entitled to payment from the Guarantor(s) or the amount hereby guaranteed by the Guarantor(s).

The Guarantor(s) shall remain fully liable under the foregoing covenants so long as any monies remain due or unpaid under this Charge notwithstanding the sale or transfer of the subject property by the Chargor.

The forgoing shall be jointly and severally binding upon the Guarantor(s) and his/her/their heirs, executors, administrators, successors and assigns.

A breach of any covenant contained in this Charge shall constitute a default hereunder and at the option of the Chargee, it may avail itself of the remedies contained in this Charge or available at law.

LRO # 80 Transfer Of Charge  
 The applicant(s) hereby applies to the Land Registrar.

Registered as AT2236096 on 2009 11 24 at 10:32  
 yyyy mm dd Page 1 of 3

**Properties**

*PIN* 21197 - 0211 LT  
*Description* LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179 TORONTO AS IN  
 CA804669, CITY OF TORONTO  
*Address* 91 AND 93 SCOLLARD STREET  
 TORONTO

**Source Instruments**

Registration No.	Date	Type of Instrument
CA805794	2004 05 04	Charge/Mortgage

**Transferor(s)**

This transfer of charge affects all lands that the charge is against which are outstanding.

*Name* THE EQUITABLE TRUST COMPANY  
*Address for Service* 30 St. Clair Avenue West  
 Suite 700  
 Toronto, Ontario  
 M4V 3A1

I, Kimberly Kukulowicz, Vice-President, Mortgages, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Transferee(s)**

Name	Capacity	Share
<i>Name</i> YERMUS, SAM <i>Address for Service</i> c/o Harvey S. Margel Barrister & Solicitor 2365 Finch Avenue West Suite 202 Toronto, Ontario M9M 2W8	Joint Account, Right Of Survivorship	as to a 28.16% Interest
<i>Name</i> YERMUS, HELEN <i>Address for Service</i> c/o Harvey S. Margel Barrister & Solicitor 2365 Finch Avenue West Suite 202 Toronto, Ontario M9M 2W8	Joint Account, Right Of Survivorship	as to a 28.16% Interest
<i>Name</i> M & B BARANEK LTD. <i>Address for Service</i> c/o Harvey S. Margel Barrister & Solicitor 2365 Finch Avenue West Suite 202 Toronto, Ontario M9M 2W8		as to a 28.16% Interest
<i>Name</i> WARNER, HOWARD <i>Address for Service</i> c/o Harvey S. Margel Barrister & Solicitor 2365 Finch Avenue West Suite 202 Toronto, Ontario M9M 2W8		as to a 3.55% Interest
<i>Name</i> THE CANADA TRUST COMPANY <i>Address for Service</i> c/o Harvey S. Margel Barrister & Solicitor 2365 Finch Avenue West Suite 202 Toronto, Ontario M9M 2W8		as to a 3.38% Interest

LRO # 80 Transfer Of Charge

Registered as AT2236096 on 2009 11 24 at 10:32

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 3

<b>Transferee(s)</b>		<b>Capacity</b>	<b>Share</b>
<b>Name</b>	THE CANADA TRUST COMPANY		as to a 8.59% interest
<b>Address for Service</b>	c/o Harvey Margel Barrister & Solicitor 2365 Finch Avenue West Suite 202 Toronto, Ontario M9M 2W8		
<b>Name</b>	YERMUS, FREDA		as to a 28.16% interest
<b>Address for Service</b>	c/o Harvey S. Margel Barrister & Solicitor 2365 Finch Avenue West Suite 202 Toronto, Ontario M9M 2W8		

**Statements**

The chargee transfers the selected charge for \$2.00 and other good and valuable consideration.

Schedule: The Equitable Trust Company transfers and assigns the said Charge/Mortgage without any representation, warranty or condition of any kind whatsoever and on a without recourse basis. The Transferees are YERMUS, Sam, joint account, right of survivorship as to a 28.16% interest, YERMUS, Helen, joint account, right of survivorship, as to a 28.16% interest, M & B BARANEK LTD. as to a 28.16% interest, WARNER, Howard as to a 3.55% interest, THE CANADA TRUST COMPANY, Trustee for SDRSP 65B099S as to a 3.38% interest, THE CANADA TRUST COMPANY, Trustee for SDRSP65B108T as to a 8.59% interest, and YERMUS, Freda as to a 28.16% interest.

This document relates to registration no.(s) INSTRUMENT NO. CA805795

**Signed By**

Nora Patricia Sacco	5001 Yonge St., suite 301 Toronto M2N 6P6	acting for Transferor(s)	First Signed	2009 11 19
Tel 4162239191 Fax 4162239405				
Charles Gordon Ashton	1202-4950 Yonge Street Toronto M2N 6K1	acting for Transferor(s)	Last Signed	2009 11 27
Tel 4167301221 Fax 4162220021				
I have the authority to sign and register the document on behalf of the Transferor(s).				
Charles Gordon Ashton	1202-4950 Yonge Street Toronto M2N 6K1	acting for Transferee(s)	First Signed	2009 11 23
Tel 4167301221 Fax 4162220021				
Deanna Elizabeth Wehby	5001 Yonge St., suite 301 Toronto M2N 6P6	acting for Transferee(s)	Last Signed	2009 11 27
Tel 4162239191 Fax 4162239405				
I have the authority to sign and register the document on behalf of the Transferee(s).				

**Submitted By**

CHARLES G ASHTON LAW OFFICE	1202-4950 Yonge Street Toronto M2N 6K1	2009 11 27
Tel 4167301221 Fax 4162220021		

**Fees/Taxes/Payment**

Statutory Registration Fee \$60.00

LRO # 80 Transfer Of Charge

Registered as AT2236096 on 2009 11 24 at 10:32

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 3 of 3

**Fees/Taxes/Payment**

Total Paid \$60.00

**File Number**

Transferor Client File Number : 2009-1577

LRO # 80 Transfer Of Charge  
The applicant(s) hereby applies to the Land Registrar.

Registered as AT3373420 on 2013 08 09 at 10:03  
yyyy mm dd Page 1 of 2

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**Properties**

*PIN* 21197 - 0211 LT  
*Description* LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179 TORONTO AS IN  
CA804669, CITY OF TORONTO  
*Address* 91 AND 93 SCOLLARD STREET  
TORONTO

**Source Instruments**

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
AT2236096	2009 11 24	Transfer Of Charge

**Transferor(s)**

This transfer of charge affects all lands that the charge is against which are outstanding.

*Name* YERMUS, SAM  
*Address for Service* c/o Minden Gross LLP  
145 King Street West, Suite 2200  
Toronto, Ontario M5H 4G2

This document is not authorized under Power of Attorney by this party.

*Name* YERMUS, HELEN  
*Address for Service* c/o Minden Gross LLP  
145 King Street West, Suite 2200  
Toronto, Ontario M5H 4G2

This document is not authorized under Power of Attorney by this party.

*Name* M & B BARANEK LTD.  
*Address for Service* c/o Minden Gross LLP  
145 King Street West, Suite 2200  
Toronto, Ontario M5H 4G2

I, Martin Baranek, President, have the authority to bind the corporation.  
This document is not authorized under Power of Attorney by this party.

*Name* WARNER, HOWARD  
*Address for Service* c/o Minden Gross LLP  
145 King Street West, Suite 2200  
Toronto, Ontario M5H 4G2

This document is not authorized under Power of Attorney by this party.

*Name* THE CANADA TRUST COMPANY  
*Address for Service* c/o Minden Gross LLP  
145 King Street West, Suite 2200  
Toronto, Ontario M5H 4G2

I, S. Kara, Senior Administration Officer and C. Todd, Senior Administration Officer, have the authority to bind the corporation.  
This document is not authorized under Power of Attorney by this party.

*Name* THE CANADA TRUST COMPANY  
*Address for Service* c/o Minden Gross LLP  
145 King Street West, Suite 2200  
Toronto, Ontario M5H 4G2

LRO # 80 Transfer Of Charge  
The applicant(s) hereby applies to the Land Registrar.

Registered as AT3373420 on 2013 08 09 at 10:03  
yyyy mm dd Page 2 of 2

**Transferor(s)**

This transfer of charge affects all lands that the charge is against which are outstanding.

I, S. Kara, Senior Administration Officer and C. Todd, Senior Administration Officer, have the authority to bind the corporation.  
This document is not authorized under Power of Attorney by this party.

Name YERMUS, FREDA  
Address for Service c/o Minden Gross LLP  
145 King Street West, Suite 2200  
Toronto, Ontario M5H 4G2

This document is not authorized under Power of Attorney by this party.

**Transferee(s) Capacity Share**

Name CANADA INVESTMENT CORPORATION  
Address for Service 665 Millway Avenue  
Unit 57  
Concord, Ontario

**Statements**

The chargee transfers the selected charge for \$2.00  
Schedule: The Transferors transfer and assign the said Charge/Mortgage without any representation, warranty or condition of any kind whatsoever and on a without recourse basis. The Transferee is CANADA INVESTMENT CORPORATION  
This document relates to registration no.(s) Charge No. CA805794; Transfer of Charge No. AT2236096

**Signed By**

Vicki Pawlett 145 King Street West, Suite 2200 acting for Signed 2013 08 09  
Toronto Transferor(s)  
M5H 4G2  
Tel 416-362-3711  
Fax 416-864-9223

I have the authority to sign and register the document on behalf of all parties to the document.

Vicki Pawlett 145 King Street West, Suite 2200 acting for Signed 2013 08 09  
Toronto Transferee(s)  
M5H 4G2

Tel 416-362-3711  
Fax 416-864-9223

I have the authority to sign and register the document on behalf of all parties to the document.

**Submitted By**

MINDEN GROSS LLP 145 King Street West, Suite 2200 2013 08 09  
Toronto  
M5H 4G2

Tel 416-362-3711  
Fax 416-864-9223

**Fees/Taxes/Payment**


Statutory Registration Fee \$60.00  
Total Paid \$60.00

**File Number**

Transferee Client File Number : 4082684



**THIS IS EXHIBIT "L" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



---

*A Commissioner etc.*

**Properties**

*PIN* 21197 - 0211 LT *Interest/Estate* Fee Simple  
*Description* LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179 TORONTO AS IN  
CA804669, CITY OF TORONTO  
*Address* 91 93 SCOLLARD STREET  
TORONTO

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**Source Instruments**

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
CA805794	2004 05 04	Charge/Mortgage
AT3373420	2013 08 09	Transfer Of Charge

**Consideration**

*Consideration* \$5,875,000.00

**Transferor(s)**

The transferor(s) hereby transfers the land to the transferee(s).

*Name* CANADA INVESTMENT CORPORATION  
*Address for Service* 665 Millway Avenue, Unit 75, Concord,  
Ontario, L4K 3T8

I, Hosseingholi Missaghi have the authority to bind the corporation.  
I am at least 18 years of age.  
I am not a spouse  
This document is not authorized under Power of Attorney by this party.

**Transferee(s)**

<i>Name</i>	<i>Capacity</i>	<i>Share</i>
2413913 ONTARIO LTD.	Registered Owner	
<i>Address for Service</i> 23-500 Fairway Road South Suite 108 Kitchener, Ontario N2C 1X3		

**Document(s) to be Deleted**

The encumbrance(s) listed in the related deletions field is/are subsequent in priority to the charge and is/are to be deleted

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
CA805794	2004/05/04	Charge/Mortgage
AT1134948	2006/05/11	Charge/Mortgage
AT1195047	2006/07/11	Charge/Mortgage
AT1196995	2006/07/13	Charge/Mortgage
AT1390328	2007/03/02	Charge/Mortgage
AT1465883	2007/06/05	Charge/Mortgage
AT1537579	2007/08/13	Charge/Mortgage
AT1859828	2008/08/08	Charge/Mortgage
AT1904123	2008/09/23	Notice
AT2131098	2009/07/28	Charge/Mortgage
AT2131099	2009/07/28	Charge/Mortgage
AT2204857	2009/10/16	Charge/Mortgage
AT2236096	2009/11/24	Transfer Of Charge
AT2236404	2009/11/24	Notice
AT2271336	2010/01/05	Notice Of Change Of Address For Service-Instrument
AT3007856	2012/05/03	Charge/Mortgage
AT3082347	2012/07/24	Charge/Mortgage
AT3373420	2013/08/09	Transfer Of Charge
AT3467444	2013/12/02	Postponement Of Interest
AT3467445	2013/12/02	Postponement Of Interest

**Document(s) to be Deleted**

The encumbrance(s) listed in the related deletions field is/are subsequent in priority to the charge and is/are to be deleted

Registration No.	Date	Type of Instrument
AT3467446	2013/12/02	Postponement Of Interest
AT3467447	2013/12/02	Postponement Of Interest
AT3469235	2013/12/03	Transfer Of Charge
AT3474067	2013/12/10	Postponement Of Interest

162

**Statements**

The document is authorized under the charge and the Mortgages Act.

The sale proceedings and transfer comply with the charge, the Mortgages Act, and if applicable the Bankruptcy and Insolvency Act (Canada), the Condominium Act, the Construction Lien Act and the Farm Debt Mediation Act (Canada).

The charge was in default at the time notice of sale was given and continues to be in default and the money has been advanced under the charge.

Notice of the transfer of charge and the address for the new chargee, was served on the registered owner(s) as well as all the parties having any interest in the land and the charge was in default when the chargee entered into an agreement of purchase and sale of the charge and continues to remain in default.

This transaction is not subject to any writs of execution

Title to the land is not subject to spousal rights under the Family Law Act

Schedule: The Notice of Sale was issued on November 28th, 2013. The following documents are to be deleted as per the power of sale proceeding: AT1134955; AT1195052; AT3373421. Please note that the following are source documents: CA805794; At2236096; AT3373420

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.

STATEMENT OF THE SOLICITOR FOR THE TRANSFEREE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.

**Signed By**

Rasik Behari Mehta 25 Mallard Road acting for Signed 2014 06 04  
Toronto Transferor(s)  
M3B 1S4

Tel 647-772-6161

Fax 800-205-0017

I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s).

I have the authority to sign and register the document on behalf of the Transferor(s).

Jonathane Michael Ricci 3230 Yonge Street, Suite 200 acting for Signed 2014 06 04  
Toronto Transferee(s)  
M4N 3P6

Tel 647-260-4863

Fax 416-342-1784

I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).

I have the authority to sign and register the document on behalf of the Transferee(s).

**Submitted By**

THE LAW OFFICE OF JONATHANE RICCI 3230 Yonge Street, Suite 200 2014 06 06  
Toronto  
M4N 3P6

Tel 647-260-4863

Fax 416-342-1784

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Provincial Land Transfer Tax	\$86,600.00

<b>Fees/Taxes/Payment</b>	
---------------------------	--

Municipal Land Transfer Tax	\$85,850.00
Total Paid	\$172,510.00

163

**PROVINCIAL AND MUNICIPAL LAND TRANSFER TAX STATEMENTS**

In the matter of the conveyance of: 21197 - 0211 LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179  
TORONTO AS IN CA804669, CITY OF TORONTO

BY: CANADA INVESTMENT CORPORATION

TO: 2413913 ONTARIO LTD.

Registered Owner

164

1. SAI MOHAMMED

I am

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- (c) A transferee named in the above-described conveyance;
- (d) The authorized agent or solicitor acting in this transaction for \_\_\_\_\_ described in paragraph(s) ( ) above.
- (e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for 2413913 ONTARIO LTD. described in paragraph(s) (c) above.
- (f) A transferee described in paragraph() and am making these statements on my own behalf and on behalf of \_\_\_\_\_ who is my spouse described in paragraph( ) and as such, I have personal knowledge of the facts herein deposed to.

2. I have read and considered the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed herein:

does not contain a single family residence or contains more than two single family residences.

3. The total consideration for this transaction is allocated as follows:

(a) Monies paid or to be paid in cash	5,875,000.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	0.00
(ii) Given Back to Vendor	0.00
(c) Property transferred in exchange (detail below)	0.00
(d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	0.00
(f) Other valuable consideration subject to land transfer tax (detail below)	0.00
(g) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	5,875,000.00
(h) VALUE OF ALL CHATTELS -items of tangible personal property	0.00
(i) Other considerations for transaction not included in (g) or (h) above	0.00
(j) Total consideration	5,875,000.00

**PROPERTY Information Record**

A. Nature of Instrument: Transfer: Power Of Sale

LRO 80 Registration No. AT3601911 Date: 2014/06/06

B. Property(s): PIN 21197 - 0211 Address 91 93 SCOLLARD STREET Assessment -  
Roll No

TORONTO

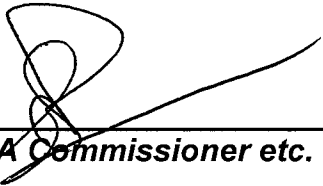
C. Address for Service: 23-500 Fairway Road South  
Suite 108  
Kitchener, Ontario  
N2C 1X3

D. (i) Last Conveyance(s): PIN 21197 - 0211 Registration No. CA805663

(ii) Legal Description for Property Conveyed: Same as in last conveyance? Yes  No  Not known

E. Tax Statements Prepared By: Jonathane Michael Ricci  
3230 Yonge Street, Suite 200  
Toronto M4N 3P6

THIS IS EXHIBIT "M" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.



A Commissioner etc.

Meridian Law Professional Corporation  
25 Mallard Road, Toronto, M3B 1S4  
Tel 1800-205-0017 Fax 1800-205-0017  
[Rasik.b.mehta@gmail.com](mailto:Rasik.b.mehta@gmail.com)

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166

NOVEMBER 27, 2013

JANODEE INVESTMENTS LTD.

BEAVER POND INVESTMENTS LTD.

MEADOWSHIRE INVESTMENTS LTD.

REGARD INVESTMENTS LTD.

THE CANADA TRUST COMPANY

THE CANADA TRUST COMPANY

C/O: Harvey Margel.

2365 Finch Ave W Ste 202  
Weston Ontario  
M9M 2W8

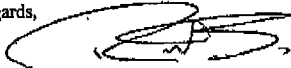
Re: Outstanding Taxes re 91-93 Scollard Street Toronto, ON M5R 1G4

This Letter is to inform you that a request has been made for a tax statement from the City of Toronto by the first mortgagee, any outstanding taxes remaining with the City of Toronto up to the date of this correspondence will be paid by Canada Investment Corporation and will be applied to its first mortgage in accordance with the Mortgages Act.

Please keep a copy of this correspondence to your file for informational purposes.

Please contact the undersigned if you have any questions.

Regards,

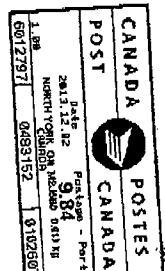


Meridian Law Professional Corporation  
Rasik Mehta, J.D.  
Lawyer

Meridian Low Professional Corp.  
25 Montreal Road  
Toronto, Ontario  
M3B 1S4

TO: Harvey Marsel  
2365 Finch Ave W Ste 202  
Weston Ontario M9M 1W8

R:483152-102807  
Destination: Canada  
Lit-olter  
Lettre (Autre)



Do not cover this area  
Ne couvrez pas le dessin

REGISTERED RECOMMANDÉ  
DOMESTIC RÉGIME INTERIEUR

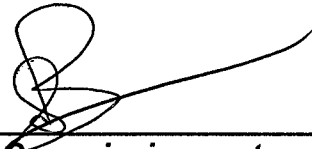
RW 942 503 459 CA RW 942 503 459 CA  
RW 942 503 459 CA RW 942 503 459 CA

CPC Tracking Number | Numéro de suivi de la SCP

Scanned with a postage meter



**THIS IS EXHIBIT "N" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

---

***A Commissioner etc.***

**Properties**

*PIN* 21197 - 0211 LT *Interest/Estate* Fee Simple  
*Description* LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179 TORONTO AS IN CA804669, CITY OF TORONTO  
*Address* 91 SCOLLARD STREET  
TORONTO

169

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

*Name* 2413913 ONTARIO LTD  
*Address for Service* 91 -93 Scollard Street, Toronto, ON,  
M5R 1G4

I, Sai Mohammed, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

**Chargee(s)***Capacity**Share*

*Name* GINKGO MORTGAGE INVESTMENT CORPORATION *Trustee*  
*Address for Service* 101 Duncan Mills Road, Unit 400, Toronto, Ontario, M3B 1Z3

**Statements**

Schedule: See Schedules

**Provisions**

*Principal* \$3,650,000.00 *Currency* CDN  
*Calculation Period* Monthly, not in advance  
*Balance Due Date* 2015/07/01  
*Interest Rate* 11.00% per annum  
*Payments* \$33,458.33  
*Interest Adjustment Date* 2014 07 01  
*Payment Date* 1st day of each month  
*First Payment Date* 2014 08 01  
*Last Payment Date* 2015 07 01  
*Standard Charge Terms* 200033  
*Insurance Amount* Full insurable value  
*Guarantor* Kermani, Shervin + Mohammed, Sai

**Additional Provisions**

The loan is closed for 6 months and fully open thereafter. During the closed period, any early repayment if permitted is subject to a yield maintenance payment equivalent to the interest rate differential between the Loan Facility Interest Rate and the interest rate on a risk free Canada bond of matching remaining duration interpolated linearly.

**Signed By**

Cheng Yang 5255 Yonge Street, Suite 800 acting for Chargor Signed 2014 06 03  
Toronto (s)  
M2N 6P4

Tel 416-512-8000

Fax 416-512-9992

I have the authority to sign and register the document on behalf of the Chargor(s).

**Submitted By**

Steven Zev Cooper

5255 Yonge Street, Suite 800  
Toronto  
M2N 6P4

2014 06 06

Tel 416-512-8000

Fax 416-512-9992

170

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

SCHEDULE

**EXPENSES**

Upon acceptance, the Borrower, by its acceptance, shall be liable for all expenses, charges or fees incident to the negotiation, closing or acquisition of this loan. These expenses include, but are not necessarily limited to, the Lender's legal fees and disbursements.

Administration and Servicing Fees:

a. Statement Preparation Fee	\$ 200.00
b. Demand Letter	\$ 250.00
c. Mortgage Discharge Statement	\$ 250.00
d. Insurance cancellation, premium payment or non-compliance	\$ 250.00
e. Renewal Fee	\$ 1,000.00
f. Missed Payment Fee	\$ 300.00
g. Default Proceedings	\$ 1,500.00
h. Maintenance for security of property in our possession	\$ 75/day
i. Late payment fee plus \$5 per day	\$ 150.00
j. Late payment fee (if renewal is 7 or more days late) plus \$5/day	\$ 150.00

**RIGHT OF FIRST REFUSAL**

Lender shall have a first right of refusal to acquire the rental building during the full original term of the Loan, irrespective of whether the Loan is prepaid. If the Borrower wishes to sell the building, the Borrower shall indicate this intention to the Lender and shall specify an acceptable price (Floor Price). The Lender shall have 10 business days to consider this offer and to accept this price or to provide a counter offer, open for acceptance for 10 business days. If the Borrower and Lender are unable to reach an agreement on price, then the Borrower is free to offer the property to the market. However, if the Borrower wishes to accept an offer from a third party that is at or below the price established as the Floor Price, then the Borrower must disclose to and first offer to sell to the Lender on the same terms and conditions, and the Lender shall have 10 business days to accept such offer, after which time if not accepted Borrower is free to sell to the third party on the terms and conditions as proposed. If the sale does not conclude in accordance with the proposed terms and conditions, then the Lender's first right of refusal survives on the same basis.. The Borrower must ensure that in any brokerage arrangement, the Lender is protected such that a sale to the Lender will not attract a brokerage commission. The first right of refusal shall survive any transfers to non-arm's length parties or that do not reflect sale terms consistent with a bona fide transfer to an arm's length party.

**REPAYMENT:**

The loan is closed for 6 months and fully open thereafter. During the closed period, any early repayment if permitted is subject to a yield maintenance payment equivalent to the interest rate differential between the Loan Facility Interest Rate and the interest rate on a risk free Canada bond of matching remaining duration interpolated linearly.

In the event of sale of transfer of subject property, or any part thereof, the mortgage loan may become due and payable at mortgagee's sole option.

**THIS IS EXHIBIT "O" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



---

*A Commissioner etc.*

**Properties**

PIN 21197 - 0211 LT Interest/Estate Fee Simple  
 Description LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179 TORONTO AS IN  
 CA804669, CITY OF TORONTO  
 Address 91 93 SCOLLARD STREET  
 TORONTO

173

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 2413913 ONTARIO LTD.  
 Address for Service 23-500 Fairway Road South  
 Suite 108  
 Kitchener, Ontario  
 N2C 1X3

I, Sai Mohammed (Director), have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Chargee(s)**

Capacity

Share

Name CANADA INVESTMENT CORPORATION  
 Address for Service 665 Millway Court, Unit 57, Concord, Ontario, L4K 3T8

**Provisions**

Principal \$1,252,000.00 Currency CDN  
 Calculation Period annually  
 Balance Due Date 2016/06/01  
 Interest Rate 10.0% per annum  
 Payments \$10,433.33  
 Interest Adjustment Date 2014 06 01  
 Payment Date first day of each month  
 First Payment Date 2014 07 01  
 Last Payment Date 2016 06 01  
 Standard Charge Terms 200033  
 Insurance Amount See standard charge terms  
 Guarantor

**Additional Provisions**

First 12 (twelve) months of interest payments deferred and accrued until the end of the term. First interest payment will begin on the 13th month. After which, interest payments of \$10,433.33 will continue monthly until the end of the term. Upon discharge of the second mortgage, the first 12 (twelve) months interest payment will be added to the principal owing.

**Signed By**

Jonathane Michael Ricci 3230 Yonge Street, Suite 200 acting for Chargor Signed 2014 06 06  
 Toronto (s)  
 M4N 3P6

Tel 647-260-4863

Fax 416-342-1784

I have the authority to sign and register the document on behalf of the Chargor(s).

**Submitted By**

THE LAW OFFICE OF JONATHANE RICCI

3230 Yonge Street, Suite 200  
 Toronto  
 M4N 3P6

2014 06 06

Tel 647-260-4863

**Submitted By**

Fax 416-342-1784

- 174

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Chargee Client File Number : SCO123

**THIS IS EXHIBIT "P" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



A handwritten signature in black ink, consisting of a large loop at the top and a long, sweeping horizontal stroke extending to the right, crossing a horizontal line.

---

*A Commissioner etc.*



**Properties**

PIN 21197 - 0211 LT  
 Description LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179 TORONTO AS IN  
 CA804669, CITY OF TORONTO  
 Address 91 93 SCOLLARD STREET  
 TORONTO

**Source Instruments**

Registration No.	Date	Type of Instrument
AT3601914	2014 06 06	Charge/Mortgage

**Transferor(s)**

This transfer of charge affects all lands that the charge is against which are outstanding.

Name CANADA INVESTMENT CORPORATION  
 Address for Service 665 Millway Court, Unit 57, Concord,  
 Ontario L4K 3T8

I, Hosseingholi Missaghi, have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Transferee(s)**

Capacity

Share

Name 2421955 ONTARIO INC.  
 Address for Service 3230 Yonge Street, Suite:200, Toronto, Ontario, M4N 3P6

**Statements**

The chargee transfers the selected charge for \$850,000.00

**Signed By**

Rasik Behari Mehta	25 Mallard Road Toronto M3B 1S4	acting for Transferor(s)	Signed	2014 06 11
--------------------	---------------------------------------	-----------------------------	--------	------------

Tel 647-772-6161  
 Fax 800-205-0017

I have the authority to sign and register the document on behalf of the Transferor(s).

Jonathane Michael Ricci	3230 Yonge Street, Suite 200 Toronto M4N 3P6	acting for Transferee(s)	Signed	2014 06 11
-------------------------	--	-----------------------------	--------	------------

Tel 647-260-4863  
 Fax 416-342-1784

I have the authority to sign and register the document on behalf of the Transferee(s).

**Submitted By**

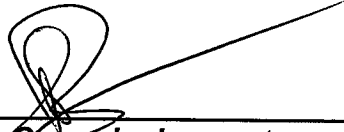
THE LAW OFFICE OF JONATHANE RICCI	3230 Yonge Street, Suite 200 Toronto M4N 3P6	2014 06 11
-----------------------------------	--	------------

Tel 647-260-4863  
 Fax 416-342-1784

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

THIS IS EXHIBIT "Q" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

---

*A Commissioner etc.*

**Properties**

*PIN* 21197 - 0211 LT *Interest/Estate* Fee Simple  
*Description* LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179 TORONTO AS IN  
 CA804669, CITY OF TORONTO  
*Address* 91 93 SCOLLARD STREET  
 TORONTO

178

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

*Name* 2413913 ONTARIO LTD.  
*Address for Service* 23-500 Fairway Road South, Suite 108,  
 Kitchener, Ontario, N2C 1X3

I, Shervin Kermani (Director), have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Chargee(s)***Capacity**Share*

*Name* 2421955 ONTARIO INC.  
*Address for Service* 3230 Yonge Street, Suite 200, Toronto, Ontario, M4N 3P6

**Provisions**

*Principal* \$49,999.00 *Currency* CDN  
*Calculation Period*  
*Balance Due Date* 2015/06/12  
*Interest Rate*  
*Payments*  
*Interest Adjustment Date*  
*Payment Date*  
*First Payment Date*  
*Last Payment Date*  
*Standard Charge Terms* 200033  
*Insurance Amount* Full insurable value  
*Guarantor* N/A

**Signed By**

Jonathane Michael Ricci 3230 Yonge Street, Suite 200 acting for Chargor Signed 2014 06 17  
 Toronto (s)  
 M4N 3P6

Tel 647-260-4863

Fax 416-342-1784

I have the authority to sign and register the document on behalf of the Chargor(s).

**Submitted By**

THE LAW OFFICE OF JONATHANE RICCI 3230 Yonge Street, Suite 200 2014 06 17  
 Toronto  
 M4N 3P6

Tel 647-260-4863

Fax 416-342-1784

**Fees/Taxes/Payment**

*Statutory Registration Fee* \$60.00  
*Total Paid* \$60.00

LRO # 80 Charge/Mortgage

Registered as AT3609575 on 2014 06 17 at 16:45

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 2

<b>File Number</b>
--------------------

Chargor Client File Number : 0004C-01

179

THIS IS EXHIBIT "R" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.

A handwritten signature in black ink, appearing to be 'A. Commissioner', written over a horizontal line.

*A. Commissioner etc.*

**Properties**

PIN 21197 - 0211 LT Interest/Estate Fee Simple  
 Description LT 35 & S/S SCOLLARD ST & PT LT 34 S/S SCOLLARD ST PL 179 TORONTO AS IN CA804669, CITY OF TORONTO  
 Address 91 93 SCOLLARD STREET TORONTO

181

**Chargor(s)**

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name 2413913 ONTARIO LTD.  
 Address for Service 23-500 Fairway Road South, Suite 108, Kitchener, Ontario, N2C 1X3

I, Shervin Kermani (Director), have the authority to bind the corporation.  
 This document is not authorized under Power of Attorney by this party.

**Chargee(s)**

Capacity

Share

Name MOHAMMED, SAI  
 Address for Service 23-500 Fairway Road South, Suite 108, Kitchener, Ontario, N2C 1X3

**Provisions**

Principal \$49,999.00 Currency CDN  
 Calculation Period  
 Balance Due Date 2015/06/12  
 Interest Rate  
 Payments  
 Interest Adjustment Date  
 Payment Date  
 First Payment Date  
 Last Payment Date  
 Standard Charge Terms 200033  
 Insurance Amount Full insurable value  
 Guarantor N/A

**Signed By**

Jonathane Michael Ricci 3230 Yonge Street, Suite 200 acting for Chargor Signed 2014 06 17  
 Toronto (s)  
 M4N 3P6

Tel 647-260-4863

Fax 416-342-1784

I have the authority to sign and register the document on behalf of the Chargor(s).

**Submitted By**

THE LAW OFFICE OF JONATHANE RICCI 3230 Yonge Street, Suite 200 2014 06 17  
 Toronto  
 M4N 3P6

Tel 647-260-4863

Fax 416-342-1784

**Fees/Taxes/Payment**

Statutory Registration Fee \$60.00  
 Total Paid \$60.00

LRO # 80 Charge/Mortgage

Received as AT3609576 on 2014 06 17 at 16:45

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 2

**File Number**

Chargor Client File Number :

0004C-01

182

**THIS IS EXHIBIT "S" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



A handwritten signature in black ink, consisting of a large, stylized letter 'R' with a horizontal line extending to the right, crossing over the signature.

*A Commissioner etc.*



Request ID: 016617166  
Transaction ID: 54721088  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

184  
Date Report Produced: 2014/07/04  
Time Report Produced: 15:00:58  
Page: 1

# CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
2413913	2413913 ONTARIO LTD.	2014/04/07
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>		<b>Date Amalgamated</b>
23-500 FAIRWAY RD SOUTH		NOT APPLICABLE
<b>Suite # 108</b>		<b>Amalgamation Ind.</b>
KITCHENER		NOT APPLICABLE
ONTARIO		<b>New Amal. Number</b>
CANADA N2C 1X3		NOT APPLICABLE
		<b>Notice Date</b>
		NOT APPLICABLE
<b>Mailing Address</b>		<b>Letter Date</b>
23-500 FAIRWAY RD SOUTH		NOT APPLICABLE
<b>Suite # 108</b>		<b>Revival Date</b>
KITCHENER		NOT APPLICABLE
ONTARIO		<b>Continuation Date</b>
CANADA N2C 1X3		NOT APPLICABLE
		<b>Transferred Out Date</b>
		NOT APPLICABLE
		<b>Cancel/Inactive Date</b>
		NOT APPLICABLE
		<b>EP Licence Eff.Date</b>
		NOT APPLICABLE
		<b>EP Licence Term.Date</b>
		NOT APPLICABLE
	<b>Number of Directors</b>	<b>Date Commenced</b>
	<b>Minimum</b>	<b>in Ontario</b>
	<b>Maximum</b>	
	00001	NOT APPLICABLE
	00010	
<b>Activity Classification</b>		<b>Date Ceased</b>
NOT AVAILABLE		<b>in Ontario</b>
		NOT APPLICABLE

Request ID: 016617166  
Transaction ID: 54721088  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2014/07/04  
Time Report Produced: 15:00:58  
Page: 2

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## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2413913

2413913 ONTARIO LTD.

Corporate Name History

Effective Date

2413913 ONTARIO LTD.

2014/04/07

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:  
Name (Individual / Corporation)

Address

SHERVIN

3230 YONGE STREET

KERMANI

Suite # 200  
TORONTO  
ONTARIO  
CANADA M4N 3P6

Date Began

First Director

2014/05/02

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

GENERAL MANAGER

Request ID: 016617166  
Transaction ID: 54721088  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

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Date Report Produced: 2014/07/04  
Time Report Produced: 15:00:58  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2413913

2413913 ONTARIO LTD.

Administrator:  
Name (Individual / Corporation)

Address

SHERVIN  
KERMANI

3230 YONGE STREET  
Suite # 200  
TORONTO  
ONTARIO  
CANADA M4N 3P6

Date Began

First Director

2014/05/02

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Administrator:  
Name (Individual / Corporation)

Address

SHERVIN  
KERMANI

3230 YONGE STREET  
Suite # 200  
TORONTO  
ONTARIO  
CANADA M4N 3P6

Date Began

First Director

2014/06/02

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 016617166  
Transaction ID: 54721088  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2014/07/04  
Time Report Produced: 15:00:58  
Page: 4

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2413913

2413913 ONTARIO LTD.

Administrator:  
Name (Individual / Corporation)

Address

SAI  
MOHAMMED

23-500 FAIRWAY RD SOUTH  
Suite # 108  
KITCHENER  
ONTARIO  
CANADA N2C 1X3

Date Began

First Director

2014/04/07

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 016617166  
Transaction ID: 54721088  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2014/07/04  
Time Report Produced: 15:00:58  
Page: 5

# CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2413913

2413913 ONTARIO LTD.

## Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2014/06/02 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

**THIS IS EXHIBIT "T" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



---

*A Commissioner etc.*

Request ID: 016617173  
Transaction ID: 54721112  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2014/07/04  
Time Report Produced: 15:02:08  
Page: 1

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# CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
2421955	2421955 ONTARIO INC.	2014/06/06
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>		<b>Date Amalgamated</b>
JONATHANE RICCI 3230 YONGE STREET		NOT APPLICABLE
<b>Suite # 200</b>		<b>Amalgamation Ind.</b>
TORONTO		NOT APPLICABLE
ONTARIO		<b>New Amal. Number</b>
CANADA M4N 3P6		NOT APPLICABLE
		<b>Notice Date</b>
		NOT APPLICABLE
<b>Mailing Address</b>		<b>Letter Date</b>
NOT AVAILABLE		NOT APPLICABLE
		<b>Revival Date</b>
		NOT APPLICABLE
		<b>Continuation Date</b>
		NOT APPLICABLE
		<b>Transferred Out Date</b>
		NOT APPLICABLE
		<b>Cancel/Inactive Date</b>
		NOT APPLICABLE
		<b>EP Licence Eff.Date</b>
		NOT APPLICABLE
		<b>EP Licence Term.Date</b>
		NOT APPLICABLE
	<b>Number of Directors</b>	<b>Date Commenced</b>
	Minimum Maximum	in Ontario
	00001 00010	NOT APPLICABLE
<b>Activity Classification</b>		<b>Date Ceased</b>
NOT AVAILABLE		in Ontario
		NOT APPLICABLE

Request ID: 016617173  
Transaction ID: 54721112  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

191  
Date Report Produced: 2014/07/04  
Time Report Produced: 15:02:08  
Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2421955

2421955 ONTARIO INC.

Corporate Name History

Effective Date

2421955 ONTARIO INC.

2014/06/06

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

Administrator:  
Name (Individual / Corporation)

Address

SAI  
MOHAMMED

23-500 FAIRWAY RD SOUTH  
Suite # 108  
KITCHENER  
ONTARIO  
CANADA N2C 1X3

Date Began

First Director

2014/06/06

YES

Designation

Officer Type

Resident Canadian

DIRECTOR

Y



Request ID: 016617173  
Transaction ID: 54721112  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

192  
Date Report Produced: 2014/07/04  
Time Report Produced: 15:02:08  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2421955

2421955 ONTARIO INC.

### Last Document Recorded

Act/Code	Description	Form	Date
BCA	ARTICLES OF INCORPORATION	1	2014/06/06 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

THIS IS EXHIBIT "U" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.



A Commissioner etc.

Cv 14-10451-006

Court File No.

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

**2329916 ONTARIO LIMITED**

**Applicant**

- and -

**METROPOLIS PROPERTIES INC.**

**Respondent**

APPLICATION UNDER 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.

**NOTICE OF APPLICATION**

**TO THE RESPONDENT(S)**

**A LEGAL PROCEEDING HAS BEEN COMMENCED** by the Applicant. The Claim made by the Applicant appears on the following pages.

**THIS APPLICATION** will come on for a hearing before a Judge presiding over the Commercial List on February 25, 2014 at 10:00 a.m., at 330 University Avenue, Toronto, Ontario.

**IF YOU WISH TO OPPOSE THIS APPLICATION**, you or an Ontario lawyer acting for you must forthwith prepare a Notice of Appearance in Form 38C prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

**IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION**, you or your lawyer must, in addition to serving your Notice of Appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but not later than two days before the hearing.

**IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.** If you wish to oppose this Application but are unable to pay legal fees, legal aid may be available to you by contacting a local Legal Aid office.

Date: February 18, 2013

Issued by: \_\_\_\_\_

  
Local Registrar

A. Anissimova  
Registrar

Address of Court Office:  
330 University Avenue  
Toronto, Ontario M5G 1R7

**TO: METROPOLIS PROPERTIES INC.**  
665 Milway Avenue  
Unit 57  
Concord, Ontario L4K 3T8

**AND TO: Wendy H. Greenspoon-Soer**  
**GARFINKLE, BIDERMAN LLP**  
Barristers and Solicitors  
Suite 801  
1 Adelaide Street East  
Toronto, Ontario M5C 2V9

Counsel to Canada Investment Corporation

**AND TO: Harvey S. Margel**  
Barrister and Solicitor  
2365 Finch Avenue West  
Suite 202  
Toronto, Ontario M9M 2W8

Counsel to Mortgagees #2-11

**AND TO: Rasik Mehta, J.D**  
**MERIDIAN LAW PROFESSIONAL CORPORATION**  
25 Mallard Road  
Toronto, Ontario M3B 1S4

Counsel to Respondent in sale proceedings

**AND TO: Irwin D. Ozier**  
**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue  
Suite 1600  
Toronto, Ontario M5G 1V2

Counsel to Tenant

**AND TO:** Layla Alizadeh  
7825 Bayview Avenue  
Suite 511  
Thornhill, Ontario L5T 7N2

Guarantor

## APPLICATION

1. The Applicant, 2329916 Ontario Limited ("232"), makes an application for, *inter alia*:
  - (a) an 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, appointing MNP Ltd. ("MNP") as receiver over the properties municipally known as 91-93 Scollard Street, Toronto ("Scollard Property") and 65 Malmo Court, Vaughan ("Malmo Property"), and legally described in Schedule 'A' hereto, owned by the Respondent; and
  - (b) such further and other relief as this Honourable Court may deem just.
2. The grounds for the application are:

### BACKGROUND

- (a) Metropolis Properties Inc. is a corporation incorporated pursuant to the *Canada Business Corporations Act* ("Metropolis" or the "Debtor") that has its registered office located in Concord, Ontario.
- (b) Metropolis owns at least two parcels of real property, the Scollard Property and the Malmo Property.
- (c) Each of the two properties is encumbered by multiple mortgages. In the case of the Scollard Property, there are 13 mortgages. In the case of the Malmo Property, there are 8 mortgages. Certain of the mortgages are cross-collateralized against both properties.
- (d) The Applicant holds the 13<sup>th</sup> mortgage on the Scollard Property and the 8<sup>th</sup> mortgage on the Malmo Property.
- (e) The mortgages ranking second (2) through thirteenth (13) on the Scollard Property are in default. The 1<sup>st</sup> mortgagee has delivered a Notice of Attornment of rents, and it is believed that this mortgage is also in default.

- (f) There are substantial realty tax arrears on the Scollard Property.
- (g) The Scollard Property is a retail commercial property, with uncertain tenancy particulars.
- (h) Most, if not all, of the mortgages on the Malmo Property are also in default.

#### **FINANCIAL DIFFICULTIES**

- (i) 232 issued a demand for payment and delivered a notice of its intention to enforce its security on December 20, 2013.
- (j) 232 has received no response to its demands.
- (k) As at December 20, 2013, Metropolis remains indebted to 232 in the amount of \$509,626.56 for principal and interest, plus additional interest, costs, disbursements and expenses that 232 is entitled to under its existing agreement with the Debtor.

#### **IT IS JUST AND CONVENIENT TO APPOINT A RECEIVER**

- (l) Metropolis is unable to meet its obligations to 232.
- (m) Metropolis is in default of most, if not all, of the 13 mortgages on the Scollard Property and the 8 mortgages on the Malmo Property.
- (n) Realizing on the properties for the benefit of the creditors will require a Receiver empowered to enter onto the properties, collect rents, market the properties, and manage the tenancies.
- (o) It is just and convenient in the circumstances to appoint a receiver over the subject properties of the Debtor, with the power to market and sell the Scollard Property and the Malmo Property for the benefit of 232 and the other creditors of Metropolis.
- (p) MNP Ltd. has agreed to act as receiver.

(q) Such further and other grounds as counsel may advise and this Honourable Court permits.

3. The following documentary evidence will be used at the hearing of the application:

- (a) The Affidavit of Harvey Fruitman and the exhibits attached thereto; and
- (b) Such further and other evidence as counsel may advise and this Honourable Court permits.

Date: February 18, 2014



**CHAITONS LLP**  
Barristers and Solicitors  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**Doug Bourassa**  
LSUC Registration No. 50351C  
Tel: (416) 218-1145  
Fax: (416) 218-1845  
E-mail: doug@chaitons.com

**Lawyers for the Applicant**



**Schedule 'A'****Scollard Property**

LT 35 & S/S Scollard St & PT LT 34 S/S SCOLLARD ST PL 179 TORONTO AS IN  
CA804669, CITY OF TORONTO

Municipal address: 91-93 Scollard Street, Toronto, Ontario

PIN: 21197-0211 (LT)

**Malmo Property**

PCL G-2 SEC M1699; PT BLK G PL M1699, PT 1, 66R11709; VAUGHAN. (AMENDED  
2001/04/26 AT 16:09 BY LOIS YAKIWCHUK, ADLR)(AMENDED 2001/10/17 BY DEB  
WALLEN ADLR)

Municipal address: 65 Malmo Court, Vaughan, Ontario

PIN: 03343-0013 (LT)

2329916 ONTARIO LIMITED

201 Applicant

and

METROPOLIS PROPERTIES INC.

Respondent  
Ca 14-10257-0022  
Court File No.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at Toronto


**NOTICE OF APPLICATION**  
(appointment of receiver)

**CHATTONS LLP**  
Barristers and Solicitors  
5000 Yonge Street, 10th Floor  
Toronto, ON M2N 7E9

**Doug Bourassa**  
LSUC Registration No. 50315C  
Tel: (416) 218-1145  
Fax: (416) 218-1845  
E-mail: doug@chattons.com

**Lawyers for the Applicant**

**THIS IS EXHIBIT "V" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



---

*A Commissioner etc.*

Court File No. CV-14-10451-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

BETWEEN:

2329916 ONTARIO LIMITED

Applicant

and

METROPOLIS PROPERTIES INC.

Respondent

APPLICATION UNDER 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.

AFFIDAVIT OF MASOUMEH SHAER VALAEI  
(sworn March 28, 2014)

I, MASOUMEH SHAER VALEI, of the Township of Concord, in the Province of Ontario MAKE OATH AND SAY AS FOLLOWS:

1. I am the sole officer and director of the Respondent, Metropolis Properties Inc. ("Metropolis") and as such have knowledge of the matters set forth below. This affidavit is in response to the affidavit of Harvey Fruitman, sworn February 11, 2014 and in opposition to the appointment of a receiver, as sought by the Applicant.

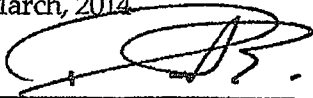
2. As referenced in Mr. Fruitman's affidavit, Metropolis has entered into a binding Agreement of Purchase and Sale ("APS") for the sale of the property municipally known as 91-93 Scollard Street, Toronto, Ontario (the "property").
3. Metropolis and the Buyer, Robert Stein in Trust, agreed to amend the APS by moving the closing date for the sale from March 30, 2014 to May 15, 2014. A true copy of the Amended APS is attached as Exhibit "1".
4. Royal LePage Your Community Realty is acting as broker of record for this transaction, in a multiple representation capacity. The Buyer has paid the \$500,000 deposit, which is currently being held by the broker pending the closing of the transaction.
5. I disagree with Mr. Fruitman's evidence wherein he states that "[t]here is good reason to doubt that this sale price will be sufficient to satisfy all of the mortgages on the Scollard Property". Further, I note that Mr. Fruitman does not set out any reason for his supposed belief in this regard.
6. I believe that the sale price of \$6,250,000 is fair market value for this property, and is more than sufficient to satisfy the outstanding mortgages on the property. In fact, I believe that there will be approximately \$1 million in equity remaining for Metropolis. This figure is, of course, subject to adjustment on closing.

7. As a result of the existence of a binding APS, I do not believe that there is any good reason for the appointment of a receiver over the property. Further, a receiver is entirely unnecessary in order to facilitate the closing process.
8. I am strongly opposed to the appointment of a receiver in the face of the APS. A receiver would not be just or convenient, and would in fact be entirely unnecessary.
9. If the Applicant wishes to appoint a receiver for the purposes of facilitating the closing of the sale of the property, it should be required to finance the receivership entirely. The costs of the receiver should not be borne by Metropolis or taken from its equity in the property.
10. I do not know of any reason why the APS will not close as expected. However, as an added measure of security for the Applicant, and Metropolis' other creditors, Metropolis has obtained a binding commitment for the refinancing of all of the encumbrances on title to property, which refinancing would take place in the event that the sale does not close.
11. Attached as Exhibit "2" is a commitment letter from Money Gate Corporation dated March 27, 2014. Attached as Exhibit "3" is a letter from Money Gate Corporation stating that all of the conditions listed in the commitment letter have been satisfied.

12. At paragraph 13 of his affidavit, under the sub-heading "527 Alleges Fraud", Mr. Fruitman deposes that the mortgagee, 527540 Ontario Inc. was supposed to have received a 2<sup>nd</sup> mortgage on the property and instead received a 12<sup>th</sup> ranking mortgage. It appears that Mr. Fruitman includes this evidence so as to insinuate that I, or the company, were involved in wrongdoing.
13. 527540 Ontario Inc. and others, including Mr. Fruitman's company, Dast Properties Limited, commenced an action in 2013 naming me and Metropolis (and many others) as defendants. The issues surrounding the mortgage held by 527540 Ontario Inc. and Golnaz Vakili are subject to that action. I personally, and on behalf of Metropolis, deny any wrongdoing whatsoever.
14. The action commenced by 527540 Ontario Inc. and others remains outstanding and we intend to vigorously defend ourselves. The allegations made by the Plaintiffs in that action have not been proven and we have not been afforded an opportunity to defend ourselves in Court.
15. It is not fair for Mr. Fruitman to have included this evidence in his affidavit. It appears that he is attempting to use this evidence to prejudice Metropolis so as to support the relief he seeks in this application. I respectfully ask that the Court disregard Mr. Fruitman's evidence at paragraphs 13 through 16 of his affidavit. If Mr. Fruitman wishes

to pursue his unproven allegations against me and Metropolis, he is free to do so in the action he (and others) previously commenced.

SWORN before me at the City of Toronto, )  
in the Province of Ontario, on the 28<sup>th</sup> day )  
of March, 2014. )



\_\_\_\_\_  
A Commissioner, etc. )




\_\_\_\_\_  
MASOUMEH SHAER VALAEI



*THIS IS EXHIBIT "1" TO THE  
AFFIDAVIT OF MASOUMEH SHAER VALAEI*

*SWORN MARCH 28<sup>th</sup>, 2014*



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

*A Commissioner, etc.*

Department of Revenue and Sales  
Commissary

[Illegible text block containing various fields and stamps]

Two hundred and fifty

250

B  
B

[Signature]

[Signature]

[Large illegible block of text]

3rd of December

[Signature]

[Signature]

2 ... 15th

[Signatures]

OFFICE OF ...

OFFICE OF ...

[Bottom illegible text block]

NOTICE: Buyer hereby appoints the Seller as agent for the sale of the property... (The following text is heavily obscured by noise and is largely illegible.)

DATE: \_\_\_\_\_ TIME: 3:05 PM '78  
\_\_\_\_\_

CHARTERED BY: \_\_\_\_\_

UNLESS OTHERWISE SPECIFIED IN THE AGREEMENT OR ANY SCHEDULE HEREIN, THIS AGREEMENT CONTAINS ALL TERMS AND CONDITIONS INCLUDED IN THE STANDARD FORM CONTRACT FOR SALE, ENCLOSURE OR OTHER DOCUMENTS, CONDITIONS AND CLauses.

**5. PAYMENT:**

**5.1. PAYMENT:** The Buyer shall pay the purchase price... (The following text is heavily obscured by noise and is largely illegible.)

**5.2. PAYMENT:** The Buyer shall pay the purchase price... (The following text is heavily obscured by noise and is largely illegible.)

**5.3. PAYMENT:** Buyer shall pay the purchase price of \$200,000.00 on the 15th day of May, 1978... (The following text is heavily obscured by noise and is largely illegible.)



BUYER OF SURETY





SIGNATURE OF SELLER

*[Handwritten Signature]*

- 8. **WARRANTY:** Seller warrants that this is the true and correct description of the property and that the future intended use of the property is as stated herein, except as may be specifically provided for in this Agreement.
- 10. **REPRESENTATIONS AND WARRANTIES:** Seller represents and warrants that the information provided in this Agreement is true and correct to the best of Seller's knowledge and belief at the time of the execution of this Agreement. Seller also represents and warrants that the property is free from all liens, mortgages, and other encumbrances, except as may be specifically provided for in this Agreement. Seller further represents and warrants that the property is in good and sound condition, and that Seller has no knowledge of any material defects in the property. Seller also represents and warrants that the property is being sold as-is, with all faults, and that Seller is not making any warranty or guarantee of any kind, express or implied, in connection with the sale of the property. Seller also represents and warrants that the property is being sold as-is, with all faults, and that Seller is not making any warranty or guarantee of any kind, express or implied, in connection with the sale of the property.
- 11. **ASSIGNMENT:** Seller agrees to execute all documents necessary to complete the Agreement of the purchase of the property, including but not limited to the deed, mortgage, and other documents. Seller also agrees to provide all necessary information to the Buyer to complete the purchase of the property. Seller further agrees to provide all necessary information to the Buyer to complete the purchase of the property.
- 12. **RECORDING:** Seller shall be responsible for the recording of any deed, abstract, survey or other evidence of title in the public records of the County of San Diego, California. Seller shall also be responsible for the recording of any deed, abstract, survey or other evidence of title in the public records of the County of San Diego, California. Seller shall also be responsible for the recording of any deed, abstract, survey or other evidence of title in the public records of the County of San Diego, California.
- 13. **ENTIRE AGREEMENT:** This Agreement shall constitute the entire agreement between Seller and Buyer, and shall supersede all other agreements, understandings, or negotiations between Seller and Buyer.
- 14. **ASSIGNMENT:** This Agreement shall be binding on Seller and Buyer, and shall not be assigned or transferred by either party without the written consent of the other party.
- 15. **ENTIRE AGREEMENT:** This Agreement shall constitute the entire agreement between Seller and Buyer, and shall supersede all other agreements, understandings, or negotiations between Seller and Buyer.

SIGNATURE OF BUYER:  SIGNATURE OF SELLER: 

- 18. **ASSIGNMENT OF INTEREST:** The Transferor hereby assigns to the Buyer the entire interest in the property described in this Agreement, together with all rights and appurtenances thereto, and the Buyer shall hold the same for the Buyer to hold for the purposes of the trust. If assigned by Buyer, Buyer's obligations and the Trustor's obligations shall continue until the date of completion of the assignment of the property to the Buyer.
- 19. **ASSIGNMENT OF INTEREST:** The Buyer shall hold the property described in this Agreement for the purposes of the trust. If assigned by Buyer to the Buyer, the Buyer shall hold the same for the Buyer to hold for the purposes of the trust. If assigned by Buyer, Buyer's obligations and the Trustor's obligations shall continue until the date of completion of the assignment of the property to the Buyer.
- 20. **ASSIGNMENT OF INTEREST:** The Buyer shall hold the property described in this Agreement for the purposes of the trust. If assigned by Buyer to the Buyer, the Buyer shall hold the same for the Buyer to hold for the purposes of the trust. If assigned by Buyer, Buyer's obligations and the Trustor's obligations shall continue until the date of completion of the assignment of the property to the Buyer.
- 21. **ASSIGNMENT OF INTEREST:** The Buyer shall hold the property described in this Agreement for the purposes of the trust. If assigned by Buyer to the Buyer, the Buyer shall hold the same for the Buyer to hold for the purposes of the trust. If assigned by Buyer, Buyer's obligations and the Trustor's obligations shall continue until the date of completion of the assignment of the property to the Buyer.
- 22. **ASSIGNMENT OF INTEREST:** The Buyer shall hold the property described in this Agreement for the purposes of the trust. If assigned by Buyer to the Buyer, the Buyer shall hold the same for the Buyer to hold for the purposes of the trust. If assigned by Buyer, Buyer's obligations and the Trustor's obligations shall continue until the date of completion of the assignment of the property to the Buyer.
- 23. **ASSIGNMENT OF INTEREST:** The Buyer shall hold the property described in this Agreement for the purposes of the trust. If assigned by Buyer to the Buyer, the Buyer shall hold the same for the Buyer to hold for the purposes of the trust. If assigned by Buyer, Buyer's obligations and the Trustor's obligations shall continue until the date of completion of the assignment of the property to the Buyer.
- 24. **ASSIGNMENT OF INTEREST:** The Buyer shall hold the property described in this Agreement for the purposes of the trust. If assigned by Buyer to the Buyer, the Buyer shall hold the same for the Buyer to hold for the purposes of the trust. If assigned by Buyer, Buyer's obligations and the Trustor's obligations shall continue until the date of completion of the assignment of the property to the Buyer.
- 25. **ASSIGNMENT OF INTEREST:** The Buyer shall hold the property described in this Agreement for the purposes of the trust. If assigned by Buyer to the Buyer, the Buyer shall hold the same for the Buyer to hold for the purposes of the trust. If assigned by Buyer, Buyer's obligations and the Trustor's obligations shall continue until the date of completion of the assignment of the property to the Buyer.
- 26. **ASSIGNMENT OF INTEREST:** The Buyer shall hold the property described in this Agreement for the purposes of the trust. If assigned by Buyer to the Buyer, the Buyer shall hold the same for the Buyer to hold for the purposes of the trust. If assigned by Buyer, Buyer's obligations and the Trustor's obligations shall continue until the date of completion of the assignment of the property to the Buyer.
- 27. **ASSIGNMENT OF INTEREST:** The Buyer shall hold the property described in this Agreement for the purposes of the trust. If assigned by Buyer to the Buyer, the Buyer shall hold the same for the Buyer to hold for the purposes of the trust. If assigned by Buyer, Buyer's obligations and the Trustor's obligations shall continue until the date of completion of the assignment of the property to the Buyer.

WITNESSES OF TRANSFEROR:  WITNESSES OF BUYER: 

The bank, customer, administrator, supervisor and assignee of the undesignated funds by the

*[Handwritten signature]*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Scribbled out text]*  
\_\_\_\_\_

*[Scribbled out text]*  
\_\_\_\_\_

*[Scribbled out text]*  
\_\_\_\_\_

**REGISTRATION YEAR CHANGES**  
\_\_\_\_\_ TEL No. 800-731-2818

**REGISTRATION YEAR CHANGES**  
\_\_\_\_\_ TEL No. 800-731-2818  
*[Scribbled out text]*  
\_\_\_\_\_

**COMMERCIAL TRUST AGREEMENT**  
\_\_\_\_\_

Year 2008  
\_\_\_\_\_

**PROPERTY OF**  
**Special Assessment Map No. - Commercial**

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The following is attached to the Agreement of Purchase and Sale:

**BUYER:** ROBERT STEIN in Trust

**SELLER:** METROPOLITAN PROPERTY INC.

By the undersigned of 37 College Street, Toronto

2005/06 19th day of November, 20 21

Signatures to pay the balance to Seller

The Buyer agrees to pay the balance of the purchase price to the Seller on or before the date specified by certified cheque or bank draft, subject to the usual adjustments.

*Handwritten:* Only 40 buys (with initials)

The Offer to purchase upon the Buyer being the absence of the Buyer's own inspection, or the Buyer's own inspection, or the acceptance of the Agreement of Purchase and Sale, shall be deemed to be a representation and warranty by the Seller that the property is as described and that the same is free from all liens and encumbrances. This statement is intended for the protection of the Buyer and may be relied upon by the Buyer by notice by writing to the Seller within the time period stated herein.

The Buyer, its employees, consultants, professional advisors and agents (the "Buyer Representatives") shall be entitled to all information and access to the property for investigation of the property including, without limitation, to conduct any soil tests, environmental audits, and building inspections, between the date of this agreement and the closing, at the Buyer's own expense. The Seller agrees to provide to the Buyer, promptly upon request, any documents or authorizations to any government or other authority to facilitate the foregoing and only regarding the release of information by the government or other authority and not dissemination of the property by the government or other authority. If for any reason this agreement is not completed as a result of the default of the Buyer, the Buyer shall repair all damage caused to the property by the Buyer. The Seller, its representatives and its agents shall not be responsible for any damage to the property to its original state, at its own expense. The Buyer agrees to indemnify the Seller from any damage or injury resulting from any negligent actions of the Buyer or the Buyer Representatives.

The Buyer may at any time following the acceptance of this offer, assign this agreement and any interest the Buyer may have in the property to a partner, partnership, firm or partnership of partners, or a new corporation, or any other entity or any combination thereof, now in existence or to be incorporated. Upon the Buyer assigning to the Seller written notice of the assignment and a written consent of the assignee to be bound by the provisions of this agreement, the Buyer's legal interest shall be released of any obligations or claims whatsoever pursuant to this agreement, and the assignee shall be bound by the Seller as if the assignee were the original Buyer and all benefits, covenants and conditions of this agreement shall survive and be binding upon the assignee.

This form must be filled out by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER: [Signature] INITIALS OF SELLER: [Signature]

Buyer and Seller hereby acknowledge that they have read the entire Agreement of Purchase and Sale and all documents referred to therein and that they understand the contents thereof and the legal consequences of the same. They agree to be bound by the terms and conditions of the Agreement of Purchase and Sale and all documents referred to therein. This document is intended for the protection of the Buyer and may be relied upon by the Buyer by notice by writing to the Seller within the time period stated herein.

**Schedule to Agreement of Purchase and Sale**

**Representations and Warranties:**

The Seller represents and warrants (unless such representations and warranties shall be indicated as being subject to exceptions indicated below):

- (a) To the best of its knowledge and belief, no part of the property or any adjoining property has ever been used for the purpose of a company or trade, except the sole means any custom or other activity for which it is authorized or affected by any national, provincial, voluntarily, dissolved waste, construction, pollution, structure, infrastructure, services, utilities, local, national, international or otherwise, including, but not limited to, any national, provincial, voluntarily, dissolved waste, construction, pollution, structure, infrastructure, services, utilities, local, national, international or otherwise, and any other activities or businesses now or hereafter declared or bound to be regulated or controlled in or pursuant to the Environmental Protection Act (Ontario) or any other environmental law, by law, order, ordinance, zoning regulation or otherwise of any applicable governmental authority.
- (b) The property is fully serviced by and connected to all municipal, utility services, including, but not limited to, water, sewer, gas, electricity, telephone, cable television, and there are no charges against the property in respect of any of those services or other charges or other fees.
- (c) There are no actions or proceedings affecting the property or the ownership thereof.
- (d) There are no unregistered agreements affecting the property.
- (e) The property is fully and freely used so as to permit its continued and unobstructed operation in the current manner, the use of the Property is a legal (and not a legal non-conforming) use, the property is in full compliance with all applicable laws, government requirements and the existing zoning, building, fire, and applicable zoning and other requirements.
- (f) It has no knowledge or information of any existing, pending or contemplated charge in any applicable jurisdiction upon all or any part of the property which may limit or impede the current use or enjoyment of the property.
- (g) To the best of its knowledge and belief, the property is not designated for regulation by any governmental authority.
- (h) To the best of its knowledge and belief, no part of the property contains any undisclosed asbestos.
- (i) There are no writ, injunction, compliance, notice or enforcement proceedings, outstanding, pending or threatened, affecting the property.

This schedule shall be subject to the terms of the Agreement of Purchase and Sale.

SIGNATURE OF BUYER:  SIGNATURE OF SELLER: 



Schedule to Agreement of Purchase and Sale

17. Except to the extent the Buyer is willing to accept... the Buyer shall not be responsible for the Seller's obligations...

Handwritten initials/signature in a circle.

18. During the Conditional Period for Default Sales, the Seller shall not enter into any new leases or contracts...

19. Until closing, the Seller shall operate, manage and maintain the property as would a prudent owner.

REPRESENTATIONS

20. Notwithstanding to the 17th month after the date of this agreement... the Seller shall provide to the Buyer, at its cost...

This document is subject to the Agreement of Purchase and Sale.

SIGNATURE OF BUYER: [Signature] SIGNATURE OF SELLER: [Signature]

**Schedule to Agreement of Purchase and Sale**

The Buyer agrees that all information and documents furnished to the Seller shall be kept confidential except in those instances where it is required by law or court order, and where that information or documents are otherwise lawfully disclosed to the Buyer or its representatives for the purpose of investigation of the property or completion of the agreement or for the operation of the business for any reason other than the conduct of the Seller. This provision shall survive the termination of this agreement for any reason other than the default of the Buyer.

**Other Documents**

On closing, the Seller shall provide to the Buyer the following closing documents:

- (A) Written acknowledgments from tenants occupying, in the aggregate, not less than 70% of the leased area, confirming the terms of each Lease, that their Leases are in good standing, there are no outstanding disputes relating to each Lease, and there are no rights of reversion. The Buyer's lawyers shall provide the form of acknowledgments to be used, within the (5) days after the Conditional Period.
- (B) A statement of the Seller confirming the terms of the Leases, that the Leases are in good standing and that there are no rights of reversion.
- (C) An assignment of the Leases in favour of the Buyer.
- (D) A statement executed by the Seller certifying the terms that all future rental payments are to be directed to the Buyer or the Buyer's nominee.
- (E) A completed Transfer of Land in the property with the Planning Act statement duly attached.
- (F) All keys to all access of the building.
- (G) Statement of Adjustments.
- (H) The Seller's undertaking to re-adjust the adjustments and to make any payments required to be made in accordance with the adjustments.
- (I) The Seller's declaration certifying that the Seller is not a non-resident of Canada within the meaning of section 131 of the Income Tax Act (Canada).
- (J) Assignment and assignment of the Assumed Service Contracts and any available confirmations from the service providers as to the terms and status of the Assumed Service Contracts.
- (K) A release letter from the authors of the Seller's environmental reports, if any, in favour of the Buyer (and its lender if requested by the Buyer) at least ten (10) days before the closing date. This release letter shall be provided to the Buyer not later than five (5) days before the closing date.

This document is subject to all provisions of the Agreement of Purchase and Sale.

Witness of Seller



Witness of Buyer



This document is subject to all provisions of the Agreement of Purchase and Sale. This document is developed by CML in the context of the provisions of the Agreement of Purchase and Sale. It is not intended to constitute a contract. It is intended to provide a summary of the provisions of the Agreement of Purchase and Sale. It is not intended to constitute a contract. It is intended to provide a summary of the provisions of the Agreement of Purchase and Sale.

Form 688 2010 Page 4 of 11

**Buyer:**

**Schedule to Agreement of Purchase and Sale**

**Form 993**

(a) All other deeds, bills, plans, certificates and encumbrances to and to be applied in the office of the Buyer's lawyer, accordingly.

**Builder**

*(Handwritten initials: LAH) (Handwritten initials: CL)*

This agreement is conditional on a good and "Conditional Period" of days after delivery and delivery of this agreement by all parties upon the satisfaction or waiver of the following conditions (the "Conditions"):

(a) The Buyer is fully satisfied, in the Buyer's sole and absolute discretion, with respect to all aspects concerning the property, including without limitation, the state of repair of the building and related systems, the environmental reports, zoning and title of all reports, the prospects of leasing any vacant space, and the suitability and viability of the property for the Buyer's purposes.

(b) The Buyer obtains commitments by financing of the purchase of the property and future improvements to the property, upon terms acceptable to the Buyer, in the Buyer's sole and absolute discretion.

If the Conditions are not satisfied or waived by the Buyer, the Buyer shall so notify the Seller in writing within the Conditional Period. If the Seller is not so notified, this agreement shall be deemed to have been accepted, together with any other documents, plans, maps, and to be returned to the Buyer within the without deduction. If the Seller is so notified, this agreement shall be null and void in accordance with its terms. The Conditions are included for the sole benefit of the Buyer. The Seller shall cooperate with the Buyer for the satisfaction of the Conditions with the Conditional Period stipulated that the Seller shall not be required to incur any financial obligation in kind or cash (other than their expenses) in carrying.

**Builder**

Any other, conditions, acceptances or notices contemplated herein shall be given to or by either party by personal delivery, courier, email or by registered mail, or by electronic transmission to or by either party to the business.

**Homeowner's Bill of Rights**

On or before closing, the Buyer shall deliver to the Seller a statutory declaration confirming that the Buyer is registered in the province of BC in accordance with the Home Tax Act (Canada) and any other applicable legislation. An agreement to sell, contract and property that any applicable HST is the appropriate authority and an affidavit in support of the Seller for the HST requirements, the Buyer shall be required to pay to the Seller, not shall the Seller be required to collect from the Buyer, the HST. If the Buyer fails to deliver the declaration, agreement and affidavit, then the Buyer shall pay to the Seller any applicable HST in addition to the purchase price.

This document is subject to all other terms and conditions of purchase and sale.

**SIGNATURE OF BUYER**

*(Handwritten signature)*

**SIGNATURE OF SELLER**

*(Handwritten signature)*

© 2003 Real Estate Council of British Columbia. All rights reserved. This document is subject to the Real Estate Council of British Columbia's Standard Contract of Purchase and Sale, which may be amended from time to time. For more information, contact the Real Estate Council of British Columbia at 1-800-663-3838 or www.recbcc.com.

Form 993 2003 Page 1 of 1

CircleK Realty www.kw.com

Schedule to Agreement of Purchase and Sale

Page 2 of 2  
to be attached to the Agreement

**General Provisions**

The Buyer and Seller agree that all fixtures and equipment of every nature and kind attached to, incorporated or situated in, on, against, or upon the property, except those fixtures and equipment which remain exclusively to be retained by the Seller or its assigns, are included in the purchase price, all of which the Seller warrants to be free and clear of any mortgages, liens, charges, taxes, or other encumbrances. The Seller shall not remove any part or parts of the fixtures, including but not limited to, electrical and electrical wiring, plumbing or HVAC systems, presently existing and being attached to the property.

Notwithstanding the right to re-possess the property in connection with any mortgage, the Seller agrees to provide access to the property for the purposes of these rights.

The Buyer and Seller acknowledge and agree that the deposit holder (Royal LePage Real Estate Services Inc.) holds the deposit funds on behalf of the Seller in a separate interest rate account in trust, as specified by the Real Estate Business Practices Act 2002 section 27, at the current rate of prime less 2%. The Seller's collection and payment of interest earned for the benefit of all Depositors (Buyers) unless otherwise directed in writing by the Depositor (Buyer). The interest earned on all deposits is subject to an administrative fee of the dollar (\$5.00) plus 10% per deposit or \$10.00 per deposit. In the event the interest earned does not exceed \$5.00 plus 10% such interest shall be retained by the Brokerage as full payment of the administration fee (no accounting statement will be provided). No interest shall be paid to the Buyer unless the Buyer provides the deposit holder with a Social Insurance Number and mailing address for use on the T5013 slip prior to completion of this transaction.

For all purposes of this notice, the terms "business days" or "business days" shall mean any day other than a Saturday, Sunday or Canadian Holiday in the Province of Ontario.

*[Handwritten signature and initials]*

This form may be filled in by all parties to the Agreement of Purchase and Sale.

BUYER'S SIGNATURE

*[Handwritten signature]*

SELLER'S SIGNATURE

*[Handwritten signature]*

Agreement of Purchase and Sale (Form 100) is a standard form of contract used in Ontario for the purchase and sale of real property. It is a contract between the buyer and the seller of real property. The form is subject to change without notice. The Ontario Real Estate Association (OREA) is the author of this form. The OREA is not responsible for the accuracy or completeness of this form. The OREA is not a party to this agreement. The OREA is not a party to this agreement. The OREA is not a party to this agreement.

Form 100 (2006) (1 of 2)

**Continuation of Co-operation and Representation**

Form 2025

Stage: ROBERT STEWART Trust

Stage: METROGLIS PROPERTIES INC.

Stage: 55 COLLINGWOOD STREET, TORONTO

*[Faint, mostly illegible text block]*

- 1.  This listing challenge represents the interests of the Offeror in the property. It is not a challenge to the listing.
- 2.  The listing challenge is not a challenge to the listing. It is a challenge to the listing agent's conduct.
- 3.  The listing challenge is not a challenge to the listing. It is a challenge to the listing agent's conduct.

*[Faint, mostly illegible text block]*

**II. WAIVER OF RIGHT TO CHALLENGE - SECURITY NOTATION**

- This challenge represents the Offeror's and the property's interests in the listing challenge. The challenge will be paid.
- By the Offeror's acceptance with a Joint-Custody Notice Agreement.
- By the Offeror's acceptance.

*[Faint, mostly illegible text block]*

*[Handwritten signature]*

\_\_\_\_\_  
 OFFICE OF THE REGISTRAR OF COMPANIES AND CHARTERED ACCOUNTANTS

*[Faint, mostly illegible text block]*

- The Company's business operations are not being conducted in the ordinary course of business.
- The Company's business operations are being conducted in the ordinary course of business.
- The Company's business operations are being conducted in the ordinary course of business.
- The Company's business operations are being conducted in the ordinary course of business.
- The Company's business operations are being conducted in the ordinary course of business.

Agreement with the Company's Operating Agreement (e.g. The Operating Agreement specifies more than one class of shares).

Decision of the Board of Directors regarding the proposed transaction.

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**ACKNOWLEDGMENT**

\_\_\_\_\_  
 Date: Nov 3rd 9

\_\_\_\_\_  
 Date: Nov 1/2013

\_\_\_\_\_  
 \_\_\_\_\_

*THIS IS EXHIBIT "2" TO THE*  
*AFFIDAVIT OF MASOUMEH SHAER VALAEI*  
*SWORN MARCH 28<sup>th</sup>, 2014*



A handwritten signature in black ink, consisting of a large, stylized initial 'M' followed by a surname, written over a horizontal line.

*A Commissioner, etc.*

**MONEY**

CORPORATION

Money Gate Corp. - License # 12290 - 25 Mallard Road, Toronto Ont. M8B 1S4 - T: 416-348-5959 - F: 416-913-0687

**Mortgage Commitment Agreement**

March 15, 2014

Re: 91-93 Scollard St. Toronto, Ont

**Loan Amount:** 6 MILLION DOLLARS (\$6,000,000).

**Funding Date:** May 20, 2014

**Borrower:** Metropolis Properties Inc.  
45 Redline Rd. Maple, ON L6A 1R3

**Guarantor:** Mary Shaer Valaei

**Lender:** 2389303 Ontario Corporation

**Interest Rate:** 9% per annum calculated and payable interest only, not in advance

**Term:** 12 months

**Privileges:** The mortgage will be open with 2 months interest penalty

**Amortization:** Interest only

**Security:**

1. A first mortgage on the lands and buildings known as 91-93 Scollard St. Toronto, Ont
2. A first general security agreement with respect to 91-93 Scollard St. Toronto, Ont
3. Such other reasonable documentation as the lender's solicitor may consider advisable

**Advance of Funds:** The advance of funds will be made when the lender's solicitor is in a position to provide their certificate of title and when all other conditions precedent to such advance as stated herein are satisfied. Advance of funds will be subject to the following conditions.





Money Gate Corp. - License # 12290 - 25 Mallard Road, Toronto Ont. M3B 1S4 - T: 416 548 5959 - F: 416 933 0087

**Conditions:**

1. Satisfactory review of an appraisal report by a real estate appraiser approved by the lender with respect to 91-93 Scollard St. Toronto, Ont. It is a further condition for the making of this loan that the appraisal be addressed to the lender or that the lender is authorized by the appraiser that he can rely on the appraisal for lending purposes.
2. Satisfactory evidence that the subject property is presently zoned to permit the current uses and there are no outstanding work orders or notices of violations from any governmental departments. The mortgagor will provide all appropriate consents to obtain such information.
3. All local improvement charges, realty taxes and other charges affecting the property shall have been paid to the date of the advance of funds. The charge shall include a provision for the collection for the collection of property taxes by the lender, at the lender's option. Payment of taxes by the lender can be waived or asked for at any time during the term of the mortgage. The lender acknowledges that the outstanding realty taxes affecting the property in question will be satisfied out of the advance of funds hereunder.
4. All reasonable engineering, inspections, title, survey and legal customary expenses of the lender are for the account of and shall be paid by the borrower.
5. Title and all security must be satisfactory to the lender's solicitor.
6. A title insurance policy in a form satisfactory to the lender's solicitor.
7. In the event that any payment is returned to the lenders for any cause whatsoever, including there being insufficient funds in the borrower's account to cover same, there shall be a charge for \$250 for each occurrence. All payments must be received no later than 12:00 noon or they shall be deemed earned the following business day. All payments not made by the due date will be subject to a charge of \$250.
8. The lender shall be provided with original or certified copies of insurance policies. The coverage, terms and insurance company

MS



Money Gate Corp. - License # 12290 - 25 Mallard Road, Toronto Ont. M3B 1S4 - T: 416 548 5959 - F: 416 913 0087

must be satisfactory to the lender. Fire insurance should include extended coverage with full replaced value for all structures and the interests of the lender, noting the lender as additional named insured. In addition, liability insurance coverage is to be in an amount not less than \$2,000,000. Such insurance policy to provide a notation that it cannot be cancelled prior to the lender receiving thirty days notice of said cancellation.

9. Satisfactory physical site inspection.
10. The borrower will provide a series of post dated cheques. In the event the loan is syndicated to more than one investor, it will be at the lender's option to direct that mortgage payments be made in proportion to the individual investor's proportionate share.
11. In the event of the borrower selling, transferring or conveying title to the lands, or if there is a change in the beneficial ownership, the mortgage will become due and payable, save and except the transfer from the current owner to a corporation of which the corporation shall have as its officer, director and majority shareholder, the borrower's shareholders with satisfactory evidence to the mortgagee. It is understood and agreed that such a transfer shall not relieve the borrower from its obligations.
12. In the event the loan is not repaid at the time or times provided within the charge, the lender will not be required to accept payment of the principal monies without first receiving three (3) months notice in writing or receiving three (3) months interest bonus in advance of the principal monies.
13. Notwithstanding paragraph 12, in the event the loan is not repaid at maturity or the lender and borrower have not come to agreeable renewal terms, a fee equal to one twelfth of one percent of the principal amount of the loan will be added to the account for each month that the loan has gone past maturity. At no time will payment of this amount be considered a renewal of the mortgage.
14. If at any time before or after the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations therefore made or furnished by or on behalf of the borrower, then the lender shall be entitled forthwith to cancel the lender's obligations hereunder or declare any monies

MS



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Money Gate Corp. -- License # 12290 -- 25 Mallard Road, Toronto Ont. M8H 1S4 -- T: 416 548 5959 -- F: 416 913 0067

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therefore advanced with interest to be forthwith due and payable  
retain all fees provided by the borrower.

15. In the event of default, the lender or its agent will be appointed as the lender's manager and will be entitled to a fee of \$250 per hour for its services and such fee will be charged to the borrower's account.

MS



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Money Gate Corp. ~ License # 12290 ~ 25 Mallard Road, Toronto Ont. M3B 1S4 ~ T: 416 548 5959 ~ F: 416 913 0087

**Lender/Broker Fees: \$120,000**

\*Legal costs, inspection fees and disbursements are additional and such fees will be deducted from the first advance of funds. In the event that the loan is not proceeded with, due to any cause whatsoever other than the lender's default, borrower shall remain liable for all fees and costs as referred to herein.

Any fees earned as a result of acceptance of this commitment letter, together with any expenses or costs incurred by the lender, including but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan review, soil tests, survey, environmental assessments and legal costs on a solicitor and its client basis, are deemed to be a charge on the subject property referred to herein and the lender may file and maintain a caveat on the title to the subject property to protect that charge and the borrower(s) and guarantor(s) do hereby mortgage to the lender the amount necessary to pay all fees and expenses as detailed herein as a charge against the subject property.

Agreement between borrower (Metropolis Properties Inc.) and Lender (2389303 Ontario Corporation).

The undersigned hereby accept the above terms and conditions.

Dated this 10th day of March, 2014

Mark Shaer Valaei  
Mark Shaer Valaei - Metropolis Properties Inc.

The undersigned hereby accept the above terms and conditions.

Dated this 15th day of March, 2014

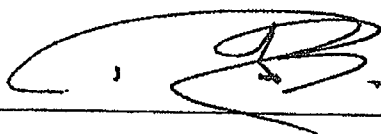
Payam Katebian  
Payam Katebian ~ 2389303 Ontario Corporation

Total Number of Pages: 5

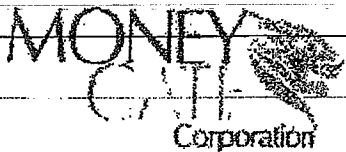
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*THIS IS EXHIBIT "3" TO THE  
AFFIDAVIT OF MASOUMEH SHAER VALAEI*

*SWORN MARCH 28<sup>th</sup>, 2014*

A handwritten signature in black ink, consisting of a large, stylized initial 'B' with a horizontal line extending to the left and a vertical line extending downwards from the bottom of the 'B'.

*A Commissioner, etc.*



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Money Gate Corp. - License # 12290 - 25 Mallard Road, Toronto Ont. M3H 1S4 - T: 416 548 5555 - F: 416 913 0087

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Date: March 27, 2014

To: Metropolis Properties Inc.

To: The Law Office of Jonathane Ricci  
Attn: Jonathane Ricci

Re: 91-93 Scollard Street, Toronto Ont.

2389303 Ontario Corporation has been satisfied of all conditions within the March 15<sup>th</sup>, 2014 commitment with regards to advance of funds for a new 1<sup>st</sup> mortgage on the above noted property. 2389303 Ontario Corporation is prepared to fund on May 20, 2014

Sincerely,

A handwritten signature in black ink, appearing to read "Payam", written over a horizontal line.

Payam Katebian - 2389303 Ontario Corporation

**THIS IS EXHIBIT "W" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.**



---

*A Commissioner etc.*

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Court File No. CV-14-507183

ONTARIO  
SUPERIOR COURT OF JUSTICE

BETWEEN:

STANBARR SERVICES LIMITED, JANODEE INVESTMENTS LTD., MEADOWSHIRE INVESTMENTS LTD., REGARD INVESTMENTS LTD., 1563503 ONTARIO LIMITED, BEAVER POND INVESTMENTS LTD., THE CANADA TRUST COMPANY and RITA ROSENBERG



Plaintiffs

- and -

METROPOLIS PROPERTIES LIMITED, CANADA INVESTMENT CORPORATION, BAMBURGH HOLDINGS LIMITED, B&M HANDELMAN INVESTMENTS LIMITED, DIANE GRAFSTEIN, YURUSHA INVESTMENTS INC., EMANUEL TANNENBAUM, 14159776 ONTARIO LIMITED, BEVERLEY GORDON, YORKDALE CONTRACT INTERIORS LIMITED, RIDGEWAY OCCUPATIONAL CONSULTANTS INC., RICHARD GRUNEIR, 1119778 ONTARIO LIMITED, ALRAE INVESTMENTS INC., NATIONAL TIRE LTD., MIHAL TYLMAN, A. ELIEZER KIRSHBLUM, 593651 ONTARIO LIMITED, THE BANK OF NOVA SCOTIA TRUST COMPANY IN TRUST FOR SDRSP 494-03072-10 - BAILEY LEVENSON, THE BANK OF NOVA SCOTIA TRUST COMPANY IN TRUST FOR SDRSP 491-02076-14 - ROSEMONDE KELLY, 1031436 ONTARIO INC., 2399029 ONTARIO INC., 2396135 ONTARIO CORPORATION, SAI MOHAMMED IN TRUST, BITA GHAFFARI, 2389303 ONTARIO CORPORATION, 2405015 ONTARIO INC. and 2374715 ONTARIO LIMITED, WORLD FINANCE CORPORATION and RASIK MEHTA

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the Plaintiff's lawyers or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United



States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

**IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.**

**IF YOU PAY THE PLAINTIFF'S CLAIM** and \$5,000.00 for costs, within the time for serving and filing your Statement of Defence, you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the Plaintiff's claim and \$100.00 for costs and have the costs assessed by the court.

Date: June 25, 2014

Issued By:   
Local Registrar **Christina Irwin**  
Registrar, Superior Court of Justice

**Address of Court Office:**  
393 University Avenue  
10<sup>th</sup> Floor  
Toronto, Ontario

**TO: METROPOLIS PROPERTIES LIMITED**  
665 Millway Avenue  
Unit 57  
Concord, Ontario L4K 3T8

**AND TO: CANADA INVESTMENT CORPORATION**  
665 Millway Avenue  
Unit 57  
Concord, Ontario L4K 3T8

- AND TO: BAMBURGH HOLDINGS LIMITED**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: B&M HANDELMAN INVESTMENTS LIMITED**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: DIANE GRAFSTEIN**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: YURUSHA INVESTMENTS INC.**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: EMANUEL TANNENBAUM**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: 14159776 ONTARIO LIMITED**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: BEVERLEY GORDON**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: YORKDALE CONTRACT INTERIORS LIMITED**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: RIDGEWAY OCCUPATIONAL CONSULTANTS INC.**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2

- AND TO: RICHARD GRUNEIR**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: 1119778 ONTARIO LIMITED**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: ALRAE INVESTMENTS INC.**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: NATIONAL TIRE LTD.**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: MIHAL TYLMAN**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: A. ELIEZER KIRSHBLUM**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: 593651 ONTARIO LIMITED**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2
- AND TO: THE BANK OF NOVA SCOTIA TRUST COMPANY**  
**IN TRUST FOR SDRSP 494-03072-10 - BAILEY LEVENSON**  
c/o Scotia Trust  
130 King Street West, 20<sup>th</sup> Floor  
Toronto, Ontario M5X 1K1

**AND TO: THE BANK OF NOVA SCOTIA TRUST COMPANY**  
**IN TRUST FOR SDRSP 491-02076-14 - ROSEMONDE KELLY**  
c/o Scotia Trust  
130 King Street West, 20<sup>th</sup> Floor  
Toronto, Ontario M5X 1K1

**AND TO: 1031436 ONTARIO INC.**  
c/o 1670 Bayview Avenue  
Suite 400  
Toronto, Ontario M4G 3C2

**AND TO: 2399029 ONTARIO INC.**  
65 Malmö Court  
Vaughan, Ontario L6A 1R4

and

122 Kirk Drive  
Thornhill, Ontario L3T 3L4

**AND TO: 2396135 ONTARIO CORPORATION**  
3230 Yonge Street  
Suite 200  
Toronto, Ontario M4N 3P6

**AND TO: SAI MOHAMMED IN TRUST**  
3230 Yonge Street  
Suite 200  
Toronto, Ontario M4N 3P6

**AND TO: BITA GHAFARI**  
c/o Money Gate Corporation  
25 Mallard Road  
Toronto, Ontario M3B 1S4

**AND TO: 2389303 ONTARIO CORPORATION**  
c/o Money Gate Corporation  
25 Mallard Road  
Toronto, Ontario M3B 1S4

and

3230 Yonge Street  
Suite 200  
Toronto, Ontario M4N 3P6

- AND TO: 2405015 ONTARIO INC.**  
c/o Money Gate Corporation  
25 Mallard Road  
Toronto, Ontario M3B 1S4
- AND TO: 2374715 ONTARIO LIMITED**  
c/o Money Gate Corporation  
25 Mallard Road  
Toronto, Ontario M3B 1S4
- AND TO: WORLD FINANCE CORPORATION**  
665 Millway Avenue  
Unit 57  
Concord, Ontario L4K 3T8
- AND TO: RASIK MEHTA**  
Lawyer  
Meridian Law Professional Corporation  
25 Mallard Road, Toronto, Ontario, M3B 1S4  
Tel: 647-560-4654  
Fax: 1-877-804-3518

**CLAIM**

1. The Plaintiffs claim:
  - (a) a Declaration that the sale under power of sale on March 3, 2014 (the "Sale") of the property municipally known as 65 Malmo Court, Vaughan, Ontario and legally described in Schedule "A" hereto (the "Property") be set aside;
  - (b) an Order that the Transfer: Power of Sale registered as Instrument no. YR2101086 on March 3, 2014 be deleted from the register;
  - (c) an order that the Charge/Mortgage granted by the Defendant 2399029 Ontario Inc. to the Defendants described below as the '**Second Rescom Syndicate**' registered on March 3, 2014 as Instrument no. YR2101087 be deleted from the register;
  - (d) an order that the Charge/Mortgage granted by the Defendant 2399029 Ontario Inc. to the Defendant Canada Investment Corporation registered on March 3, 2014 as Instrument no. YR2101089, along with the Transfer of Charge registered on March 7, 2014 to the Defendant Sai Mohammed, in Trust registered as Instrument no. YR2103422, and the Postponement of Interest registered as Instrument no. YR2126995 be deleted from the register;
  - (e) an order that the Charge/Mortgage granted by the Defendant 2399029

Ontario Inc. to the Defendant 2396135 Ontario Corporation registered on March 3, 2014 as Instrument no. YR2101090 and the Postponement of Interest registered as Instrument no. YR2126996 be deleted from the register;

- (f) an order that the Charge/Mortgage granted by the Defendant 2399029 Ontario Inc. to the Defendants 2405015 Ontario Inc., 2374715 Ontario Limited, 2389303 Ontario Corporation and Bitu Ghaffari registered on April 29, 2014 as Instrument no. YR2120848 be deleted from the register;
- (g) an order and declaration that title to the Property be rectified to provide that the registered owner is Metropolis Properties Limited and that the Transfer registered as Instrument no. YR625207 on April 15, 2004 (by which Metropolis Properties Limited acquired ownership of the Property) be reinstated on the register;
- (h) an order and declaration that the following mortgages and instruments are valid and subsisting charges against the Property, and shall be reinstated on the register:

Instrument Type	Date	Instrument No.	Party From	Party to
Charge/Mortgage	February 10, 2006	YR775878	Metropolis Properties Limited ("Metropolis")	Dast Properties Limited
Charge/Mortgage	February 10, 2006	YR775880	Metropolis	Joseph Garshon, Alice

				Garshon and Beaver Pond
Postponement of Interest	February 10, 2006	YR775881	World Finance Corp.	Dast Properties Limited
Postponement of Interest	February 10, 2006	YR775882	World Finance Corp.	Joseph Garshon, Alice Garshon and Beaver Pond
Charge/Mortgage	July 11, 2006	YR848359	Metropolis	Janodee
Postponement of Interest	July 11, 2006	YR848367	World Finance Corp.	Janodee
Charge/Mortgage	July 13, 2006	YR849641	Metropolis	Janodee, Meadowshire and Regard
Postponement of Interest	July 13, 2006	YR849699	World Finance Corp.	Janodee, Meadowshire and Regard
Charge/Mortgage	June 5, 2007	YR995920	Metropolis	Regard and 156 Ontario
Charge/Mortgage	August 13, 2007	YR1034455	Metropolis	Regard
Charge/Mortgage	August 8, 2008	YR1205187	Metropolis	Stanbarr, Regard, Meadowshire, Beaver Pond and Canada Trust Company
Notice	Sept. 23, 2008	YR1229000	Metropolis	Stanbarr, Regard, Meadowshire, Beaver Pond and Canada Trust Company
Transfer of Charge	February 2, 2010	YR1439498	World Finance Corp.	Crown Capital Corp.



Survivorship Application	March 5, 2012	YR1791102	Alice Garshon	Joseph Garshon
Transfer of Charge	March 5, 2012	YR1791103	Joseph Garshon	Regard
Transfer of Charge	March 15, 2012	YR1795450	Dast Properties Limited	Canada Investment Corporation
Transfer of Charge	March 15, 2012	YR1795485	Canada Investment Corporation	First Rescom Syndicate
Transfer of Charge	April 27, 2012	YR1814547	Crown Capital Corp.	World Finance Corp.
Transfer of Charge	Sept. 10, 2012	YR1882872	Lionel Fisch	Stephen Handelman
Transfer of Charge	December 3, 2013	YR2069466	Stanbarr, Regard, Meadowshire, Beaver Pond and Canada Trust Company	2329916 Ontario Limited

- (i) an order directing that the Land Titles Registrar for the Land Registry Office of York (#65) may take such steps as are required to rectify the register in order to give effect to the foregoing;
- (j) in the alternative to subparagraphs (a) through (i) above, an order directing a full accounting of the Sale proceeds;
- (k) judgment in the amount due and owing to the Plaintiffs after the completion of the accounting;

- (l) an interim, interlocutory order prohibiting the Defendants The First Rescom Syndicate, CIC, 2399029 (as those defendants are hereinafter defined), and Rasik Mehta from disbursing, transferring or in any way dealing with any funds received from the Sale of the Property;
- (m) in the further alternative to the relief claimed in paragraphs (a) to (i) herein, damages in the amount equal to the amount owing under the Plaintiffs' mortgages (as hereinafter defined);
- (n) in the further alternative to the relief claimed in paragraphs (a) to (i) herein, damages for the improvident sale of the Property in an amount to be determined by the Court;
- (o) punitive damages in the amount of \$500,000;
- (p) pre-judgment interest and post-judgment interest, at the rates set out in the Plaintiffs' mortgages, or alternatively, at the rates prescribed under the provisions of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (q) an order granting leave to issue a certificate of pending litigation against title to the Property;
- (r) costs of this action on a substantial indemnity scale; and
- (s) such further and other relief as to this Honourable Court may seem just.

### Overview

2. The Plaintiffs were the holders of five mortgages registered against the Property. The Property was owned by Metropolis Properties Limited.

3. On March 3, 2014, the Property was sold under power of sale by CIC, a related party to Metropolis. No accounting or funds were provided to subsequent encumbrancers.

4. All of the Plaintiffs' mortgages registered against the Property have been deleted. The Plaintiffs have lost the benefit of their security against the Property without any compensation. The Property has remained within the control of the same group of related parties.

### The Parties

5. The Plaintiffs Stanbarr Services Limited ("**Stanbarr**"), Janodee Investments Ltd. ("**Janodee**"), Meadowshire Investments Ltd. ("**Meadowshire**"), Regard Investments Ltd. ("**Regard**"), 1563503 Ontario Limited ("**156 Ontario**"), Beaver Pond Investments Ltd. ("**Beaver Pond**"), the Canada Trust Company and Rita Rosenberg were, until March 3, 2014, the holders of 5 mortgages registered against title to the Property.

6. The Defendant Metropolis Properties Limited ("**Metropolis**") is a corporation incorporated pursuant to the laws of the Province of Ontario. Metropolis is the former owner of the Property.

7. The Defendants, Bamburgh Holdings Limited, B&M Handelman Investments Limited, Diane Grafstein, Yurusha Investments Inc., Emanuel Tannenbaum, 1415976

Ontario Limited, Beverley Gordon, Yorkdale Contract Interiors Limited, Ridgeway Occupational Consultants Inc., Richard Gruneir, 1119778 Ontario Limited, Alrae Investments Inc., Lionel Fisch (the "**First Rescom Syndicate**") are a syndicate of investors who as at March 2, 2014, held the first ranking mortgage registered as Instrument No. YR775878 against title to the Property.

8. The Defendants, Bamburgh Holdings Ltd., B&M Handelman Investments Ltd., Diane Grafstein, Yurusha Investments Inc., 1415976 Ontario Limited, Beverley Gordon, Ridgeway Occupational Consultants Inc., Richard Gruneir, 1119778 Ontario Limited, Alrae Investments Inc., National Tire Ltd., Mihal Tylman, A. Eliezer Kirshblum, 593651 Ontario Limited, The Bank Of Nova Scotia Trust Company In Trust For SDRSP 494-03072-10 - Bailey Levenson, The Bank Of Nova Scotia Trust Company In Trust For SDRSP 491-02076-14 - Rosemonde Kelly, and 1031436 Ontario Inc. (the "**Second Rescom Syndicate**") are a syndicate of investors who as at March 4, 2014, held the first ranking mortgage registered as Instrument No. YR2101087 against title to the Property.

9. The Defendant, Canada Investment Corporation, ("**CIC**") is a corporation incorporated pursuant to the laws of the Province of Ontario. CIC was the assignee of the first mortgage formerly registered against title to the Property.

10. World Finance Corporation is a corporation incorporated pursuant to the laws of the Province of Ontario, and is a holder of a mortgage registered against title to the Property.

11. The Defendant 2399029 Ontario Inc. ("2399029") is a company incorporated pursuant the laws of the Province of Ontario. As at March 3, 2014 2399029 is the owner of the Property.

12. The Defendants 2396135 Ontario Corporation ("2396135"), Bitu Ghaffari, 238903 Ontario Corporation, 240515 Ontario Inc., and 2374715 Ontario Limited currently hold mortgages registered against title to the Property.

13. The Defendant Rasik Mehta ("Mehta") is a lawyer licensed to practice law in Ontario. Mehta acted for a number of the defendants on the impugned transactions as hereinafter described.

**The State of Title of the Property as at March 2, 2014**

14. As at March 2, 2014 the Property was owned by Metropolis Properties Limited, and was encumbered by eight mortgages in the following priority sequence:

- (a) \$1,200,000 1<sup>st</sup> charge in favour of the First Rescom Syndicate;
- (b) \$100,000 2<sup>nd</sup> charge in favour of the Plaintiff Regard;
- (c) \$470,000 3<sup>rd</sup> charge in favour of the Plaintiff, Janodee;
- (d) \$300,000 4<sup>th</sup> charge in favour of the Plaintiffs, Janodee, Meadowshire and Regard;
- (e) \$55,000 5<sup>th</sup> charge in favour of World Finance Corporation, a company related to CIC, and to Metropolis;
- (f) \$100,000 6<sup>th</sup> charge in favour of the Plaintiffs Regard and 156;
- (g) \$80,000 7<sup>th</sup> charge in favour of Regard; and

(h) \$375,000 8<sup>th</sup> charge in favour of 232.

15. On March 11, 2010, Dast Properties Limited issued a Notice of Sale in respect of the 1<sup>st</sup> ranking mortgage on the Property demanding payment of the sum of \$1,238,998.63 on or before April 23, 2010 (the "2010 Notice").

16. Subsequently, Dast Properties Limited assigned the 1<sup>st</sup> ranking mortgage to CIC on March 15, 2012. The same day, CIC assigned the mortgage to the First Rescom Syndicate.

17. Subsequent to the issuance of the 2010 Notice, the 1<sup>st</sup> mortgage was brought into good standing, and the 2010 Notice was no longer operative.

18. On January 6, 2014, the First Rescom Syndicate issued a Notice of Sale in respect of the 1<sup>st</sup> ranking mortgage demanding payment of the sum of \$1,311,311.89 on or before February 12, 2014 (the "2014 Notice").

#### **The Sale**

19. On March 3, 2014, without notice to the Plaintiffs, the First Rescom Syndicate assigned the 1<sup>st</sup> ranking mortgage to CIC for the sum of \$1,513,890.83.

20. On March 3, 2014, CIC sold the Property under power of sale to 2399029 for the stated consideration of \$0.00. Notwithstanding the stated consideration on the face of the registered instrument, the Land Transfer Tax Statement indicates that the total consideration for the transaction was \$2,695,000.00.

### **The Transfer Under the Power of Sale Was Invalid and Should be Set Aside**

21. The sale of the Property by CIC was pursuant to the 2010 Notice. The 2010 Notice was a nullity. Subsequent to the issuance of the 2010 Notice, the subject mortgage had been brought into good standing. The 2010 Notice of Sale was of no further force or effect.

22. Notwithstanding the fact that the 2010 Notice was of no effect as the mortgage had been brought into good standing, the 2010 Notice was also superseded by the issuance of the 2014 Notice.

23. The sale to 2399029 was invalid.

24. The transfer under the power of sale to 2399029 was invalid as CIC failed to provide notice of the assignment of the Charge from the First Rescom Syndicate to CIC prior to exercising the sale contrary to s.53(1) of *The Conveyancing and Law of Property Act*, R.S.O., 1990, c. C.34.

25. By reason of the transfer of the Property under power of sale, the Plaintiff's mortgages registered against title to the Property were deleted from title. The deletion of the plaintiffs' mortgages was improper and of no force and effect.

### **No Funds Paid or Accounting Provided to Subsequent Encumbrancers**

26. The Plaintiffs' did not receive any funds from the Sale.

27. The Plaintiffs' did not receive an accounting of the Sale as required pursuant to s.

27 of the *Mortgages Act*, R.S.O 1990 c M-40 (the "Act").

28. All surplus funds arising from a sale under power of sale are held by the vendor for the benefit of the subsequent encumbrancers and are subject to a trust in favour of those encumbrancers until distributed in accordance with section 27 of the Act.

29. CIC was the vendor under the Sale. As such, it was required to hold all surplus funds in trust for the benefit of the subsequent encumbrancers, including the plaintiffs. CIC breached the trust and its duty by failing to distribute the trust monies in accordance with section 27 of the Act.

30. Mehta acted as the lawyer for CIC on both the assignment of the 1<sup>st</sup> ranking mortgage from the First Rescom Syndicate to CIC, and on the Sale. As such, he had knowledge of the consideration for the transfer of the 1st Mortgage (\$1,513,890.83) and the sale price of the Property under power of sale (\$2,695,000.00), Mehta knowingly breached the trust and/or participated in the breach by CIC by failing to distribute the surplus funds in accordance with section 27 of the Act.

#### **Events Following the Sale**

31. Subsequent to the Sale of the Property, the following mortgages (the "Post-Sale Encumbrances") were registered against title:

- (a) \$55,000 charge in favour of World Finance Corporation, a company related to CIC, and to Metropolis
- (b) \$1,700,000 charge in favour of the Second Rescom Syndicate



- (c) \$450,000 charge in favour of the Defendants Bitra Ghaffari, 2389303 Ontario Corporation, 2405015 Ontario Inc. and 2374715 Ontario Limited
- (d) \$450,000 charge in favour of the Defendant 2396135 Ontario Corporation
- (e) \$270,000 charge in favour of CIC, subsequently transferred to Sai Mohammed, in Trust.

32. 2399029 is controlled or directed by Morteza Katebian, who is in turn the principal of a mortgage brokerage named Money Gate Corporation. Katebian and Money Gate Corporation are related in some manner to each of the Defendants Bitra Ghaffari, 2389303 Ontario Corporation, 2405015 Ontario Inc., 2374715 Ontario Limited, 2396135 Ontario Corporation and Sai Mohammed in trust. Full particulars of the relationship are within these defendants knowledge.

33. The Post-Sale Encumbrances were all registered (or remain registered in the case of World Finance Corporation) with knowledge that 2399029's title to the Property was invalid. The Post-Sale Encumbrances are not *bona fide* mortgages.

#### **Alternative Claim for Damages**

34. In the event the Sale is not set aside, the Plaintiffs claim damages as more particularly described herein.

35. CIC, Metropolis and 2399029 are not arm's length parties. They are controlled directly or indirectly by the same individuals.

36. The Defendants' conspired to eliminate the Plaintiffs' security and cause them to lose their entire investments in their mortgages. The defendants' conduct in the Sale of

the Property was unlawful and intended to injure the Plaintiffs. In particular, as described herein, the Defendants acted in combination by agreement or common design to harm the Plaintiffs and their conduct did cause harm to the Plaintiffs. They have lost the full value of their loans secured by the mortgages registered against title to the Property. Alternatively, the Defendants acted in combination, by committing an unlawful act directed towards the Plaintiffs when they knew or ought to have known that injury to the Plaintiffs was likely to occur from their unlawful actions. The Defendants' unlawful conduct in furtherance of the conspiracy caused the Plaintiffs harm.

37. The Plaintiffs claim damages in the amount equal to the amount owing under the Plaintiffs' mortgages.

38. The Sale was improvident. The Property was not listed for sale. It was not exposed to the market for a reasonable period of time. CIC failed to take reasonable precautions to obtain the true market value for the Property. The Plaintiffs claim damages in an amount to be determined by the Court as a result of the improvident sale.

#### **Claim for Punitive Damages**

39. The Defendants' actions and conduct as described herein were malicious, high-handed, oppressive and offensive and should be sanctioned by this Court in an award of punitive damages.

40. The Plaintiffs propose that this action be tried in the City of Toronto, in the Province of Ontario.

Date: June 25, 2014

**CHAITONS LLP**  
Barristers and Solicitors  
5000 Yonge Street, 10th Floor  
Toronto, Ontario M2N 7E9

**Stephen Schwartz** (LSUC #29850A)  
Tel: (416) 218-1132  
Fax: (416) 218-1832

**Doug Bourassa** (LSUC #50315C)  
Tel: (416) 218-1145  
Fax: (416) 218-1845

**Lawyers for the Plaintiffs**

**SCHEDULE "A"**

PIN: 03343-0013 (LT)

PCL G-2 SEC M1699; PT BLK G PL M1699, PT 1, 66R11709; VAUGHAN.  
(AMENDED 2001/04/26 AT 16:09 BY LOIS YAKIWCHUK, ADLR) (AMENDED  
2001/10/17 BY DEB WALLEN, ADLR);

Municipally known as:

65 Malmo Court, Vaughan, Ontario

**STANBARR SERVICES LIMITED ET AL.**  
Plaintiffs

and

**METROPOLIS PROPERTIES LIMITED et al.**

Defendants

Court File No. **CV-14-507183**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceedings commenced at TORONTO

**STATEMENT OF CLAIM**

**CHAITONS LLP**  
Barristers and Solicitors  
5000 Yonge Street, 10th Floor  
Toronto, ON M2N 7E9

**Stephen Schwartz**  
LSUC Registration No. 25980A  
Tel: (416) 218-1132  
Fax: (416) 218-1832

**Doug Bourassa**  
LSUC Registration No. 50315C  
Tel: (416) 218-1145  
Fax: (416) 218-1845

**Lawyers for the Plaintiffs**

THIS IS EXHIBIT "X" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal stroke and a vertical stroke.

---

*A Commissioner etc.*

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 5

**Properties**

*PIN* 03343 - 0013 LT

*Description* PT BLOCK G PLAN M1699, PT 1 66R11709. (AMENDED 2001/04/26 AT 16:09 BY LOIS YAKIWCHUK, ADLR) (AMENDED 2001/10/17 BY DEB WALLEN, ADLR); CITY OF VAUGHAN

*Address* 65 MALMO COURT  
VAUGHAN

**Party From(s)**

*Name* STANBARR SERVICES LIMITED

*Address for Service* c/o Chaitons LLP  
5000 Yonge Street, 10th Floor  
Toronto, Ontario  
M2N 7E9

Attention: Stephen Schwartz

I, Harvey Margel, Authorized Signing Officer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

*Name* JANODEE INVESTMENTS LTD.

*Address for Service* c/o Chaitons LLP  
5000 Yonge Street, 10th Floor  
Toronto, Ontario  
M2N 7E9

Attention: Stephen Schwartz

I, Harvey Margel, Authorized Signing Officer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

*Name* MEADOWSHIRE INVESTMENTS LTD.

*Address for Service* c/o Chaitons LLP  
5000 Yonge Street, 10th Floor  
Toronto, Ontario  
M2N 7E9

Attention: Stephen Schwartz

I, Harvey Margel, Authorized Signing Officer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

*Name* REGARD INVESTMENTS LTD.

*Address for Service* c/o Chaitons LLP  
5000 Yonge Street, 10th Floor  
Toronto, Ontario  
M2N 7E9

Attention: Stephen Schwartz

I, Harvey Margel, Authorized Signing Officer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 2 of 5

**Party From(s)**

Name 1563503 ONTARIO LIMITED  
Address for Service c/o Chaitons LLP  
5000 Yonge Street, 10th Floor  
Toronto, Ontario  
M2N 7E9

Attention: Stephen Schwartz

I, Harvey Margel, Authorized Signing Officer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Name BEAVER POND INVESTMENTS LTD.  
Address for Service c/o Chaitons LLP  
5000 Yonge Street, 10th Floor  
Toronto, Ontario  
M2N 7E9

Attention: Stephen Schwartz

I, Harvey Margel, Authorized Signing Officer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Name THE CANADA TRUST COMPANY  
Address for Service c/o Chaitons LLP  
5000 Yonge Street, 10th Floor  
Toronto, Ontario  
M2N 7E9

Attention: Stephen Schwartz

I, Shamsh Kara, Authorized Signing Officer, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Name ROSENBERG, RITA  
Address for Service c/o Chaitons LLP  
5000 Yonge Street, 10th Floor  
Toronto, Ontario  
M2N 7E9

Attention: Stephen Schwartz

This document is not authorized under Power of Attorney by this party.

**Statements**

Schedule: See Schedules



**Signed By**

Cheryl Ann Wilson	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Party From(s)	Signed	2014 07 03
Tel	416-222-8888			
Fax	416-218-1860			

I have the authority to sign and register the document on behalf of the Party From(s).

**Submitted By**

CHAITONS LLP	5000 Yonge Street, 10th Floor Toronto M2N 7E9		2014 07 03
Tel	416-222-8888		
Fax	416-218-1860		

**Fees/Taxes/Payment**

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

**File Number**

Party From Client File Number : 54729

Court File No. CV-14-507183

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**STANBARR SERVICES LIMITED, JANODEE INVESTMENTS LTD., MEADOWSHIRE  
INVESTMENTS LTD., REGARD INVESTMENTS LTD., 1563503 ONTARIO LIMITED,  
BEAVER POND INVESTMENTS LTD., THE CANADA TRUST COMPANY and RITA  
ROSENBERG**

Plaintiffs

- and -

**METROPOLIS PROPERTIES LIMITED, CANADA INVESTMENT CORPORATION,  
BAMBURGH HOLDINGS LIMITED, B&M HANDELMAN INVESTMENTS LIMITED, DIANE  
GRAFSTEIN, YURUSHA INVESTMENTS INC., EMANUEL TANNENBAUM, 14159776  
ONTARIO LIMITED, BEVERLEY GORDON, YORKDALE CONTRACT INTERIORS  
LIMITED, RIDGEWAY OCCUPATIONAL CONSULTANTS INC., RICHARD GRUNEIR,  
1119778 ONTARIO LIMITED, ALRAE INVESTMENTS INC., LIONEL FISCH, NATIONAL  
TIRE LTD., MIHAEL TYLMAN, A. ELIEZER KIRSHBLUM, 593651 ONTARIO LIMITED,  
THE BANK OF NOVA SCOTIA TRUST COMPANY IN TRUST FOR SDRSP 494-03072-10  
- BAILEY LEVENSON, THE BANK OF NOVA SCOTIA TRUST COMPANY IN TRUST  
FOR SDRSP 491-02076-14 -ROSEMONDE KELLY, 1031436 ONTARIO INC., 2399029  
ONTARIO INC., 2396135 ONTARIO CORPORATION, SAI MOHAMMED IN TRUST, BITA  
GHAFARI, 2389303 ONTARIO CORPORATION, 2405015 ONTARIO INC. and 2374715  
ONTARIO LIMITED, WORLD FINANCE CORPORATION and RASIK MEHTA**

Defendants

**CERTIFICATE OF PENDING LITIGATION**

I CERTIFY that in this proceeding an interest in the following land is in question:

PIN: 03343-0013 (LT)

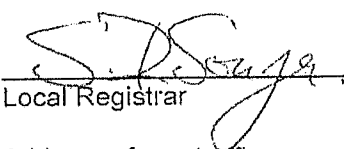
PCL G-2 SEC M1699; PT BLK G PL M1699, PT 1, 66R11709; VAUGHAN. (AMENDED  
2001/04/26 AT 16:09 BY LOIS YAKIWCHUK, ADLR) (AMENDED 2001/10/17 BY DEB  
WALLEN, ADLR);

Municipally known as 65 Malmo Court, Vaughan, Ontario

This certificate is issued under an order of the Court made on June 27, 2014.

DATE: July 2, 2014

Issued by:

  
Local Registrar

Address of court office:

393 University Avenue, 10<sup>th</sup> Fl.  
Toronto, Ontario M5G 1E6

STANBARR SERVICES LIMITED ET AL.

Plaintiffs

and

METROPOLIS PROPERTIES LIMITED et al.

Defendants

Court File No. CV-14-507183

ONTARIO  
SUPERIOR COURT OF JUSTICE

Proceedings commenced at TORONTO

CERTIFICATE OF PENDING LITIGATION

**CHAITONS LLP**  
Barristers and Solicitors  
5000 Yonge Street, 10th Floor  
Toronto, ON M2N 7E9

**Stephen Schwartz**  
LSUC Registration No. 25980A  
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**Doug Bourassa**  
LSUC Registration No. 50315C  
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Fax: (416) 218-1845

**Lawyers for the Plaintiffs**

THIS IS EXHIBIT "Y" TO  
THE AFFIDAVIT OF HARVEY MARGEL  
SWORN BEFORE ME THIS 7<sup>TH</sup>  
DAY OF JULY, 2014.



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*A Commissioner etc.*

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

2329916 Ontario Ltd  
Plaintiff(s)

AND

Metropolis Paperies Inc.  
Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No:	Facsimile No:
D. Bocarassa - Appl.		
E. Flynn - Resp.		

- Order  Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- Adjourned to: \_\_\_\_\_
- Time Table approved (as follows):

On May 25/14 <sup>5:15</sup> Wilton-Siegel endorsed: "The respondent's counsel has complied to the Court that the ~~appointment~~ respondent will consent to the appointment of a receiver as set date if the applicant's mortgage is not satisfied in full or purchased by the respondent by that date." The mortgage had not been paid when the matter initially came before me @ 10 am. I asked the matter down. Upon the resumption at 2 pm respondent's counsel advised that he had a bank draft in the amount of \$695,578.33 payable to applicant's counsel

June 3/14  
Date

[Signature]  
Judge's Signature  
D. M. Brown J

Additional Pages 15/2

Court File Number: CN-14-10457-0002Superior Court of Justice  
Commercial List

## FILE/DIRECTION/ORDER

## Judges Endorsment Continued

in trust, but his client disputed some of the items on the May 30 discharge statement - i.e. 3 months interest; late payment fees; legal fees - and wanted an order that part of the \$695,517.33 be held back pending resolution of that dispute. I am not prepared to make such an order. The process set out in s 43 of the Mortgage Act shall apply to any disputed items, including costs.

Accordingly, I will grant the application as withdrawn upon the delivery by respondent's counsel of applicant's account of the above - mentioned bank draft of \$695,517.33. Upon the clearing of that bank draft, the applicant shall provide an assignment of the mortgage to the respondent or the person directed by the respondent.

**STANBARR SERVICES LIMITED ET AL.**

Applicants

and

**METROPOLIS PROPERTIES INC.**

Respondent

Court File No. CV-14-10585-00CL

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

Proceedings commenced at TORONTO

**MOTION RECORD**

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**Lawyers for the Applicants**