

Ontario
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

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

SECOND 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.
- 2) The Receiver filed its first report (the "**First Report**") with this Court in support of a motion heard on July 10, 2014. A copy of the First Report (without appendices) is attached hereto as **Appendix "B"**.
- 3) In response to the July 10, 2014 motion, the Honourable Justice Brown issued an Endorsement (the "**July 10th Endorsement**") providing for, among other things, the following:

- a) Restraining the parties named (the "**Named Parties**") in the July 10, Endorsement from interfering with the Receiver;
- b) Directing Canada Investment Corporation to deliver to the Receiver
 - i. its complete file in respect of the sale of the Property;
 - ii. a full accounting of the sale; and
 - iii. all proceeds realized from the sale of the Property.
- c) That on July 18, 2014 the Named Parties shall appear for a continuation hearing of the hearing held on July 10, 2014.

A copy of the July 10, 2014 Endorsement and an unofficial transcript of same is attached hereto as **Appendix "C"**.

PURPOSE OF THE SECOND REPORT

- 4) The purpose of the Receiver's Second report to Court (the "**Second Report**") is to report to the Court on the activities of the Receiver and the events that have transpired since the First Report.


RECEIVER'S ACTIVITIES SINCE THE FIRST REPORT

- 5) As noted in the First Report, the Debtor has not cooperated with the Receiver's request for information.
- 6) As of the date of this, the Second Report, the Debtor has still not provided the information requested in the Receiver's Initial Information Request (as defined in the First Report).
- 7) As noted in the First Report, on July 4, 2014 individuals who advised the retail tenants they were contractors hired by the new owners of the Property, drilled the locks to the vacant basement and residential units and then left these units unlocked that evening.

- 8) On July 7, 2014, the Receiver's staff attended at the Property and confirmed that the locks to the vacant units had been changed for a second time by unidentified parties.
- 9) On July 10, 2014, following receipt of the July 10th Endorsement, representatives of the commercial tenants of the Property advised the Receiver's staff that two men had attended at the Property on July 9, 2014 and moved a large quantity of residential furnishings into the residential unit.
- 10) In the late afternoon of July 10, 2014, the Receiver's staff attended at the Property and posted a notice on the front entrance door to the residential unit to advise the unidentified occupants (the "**Occupants**") of the Appointment Order and the Endorsement and to request that they contact the Receiver immediately to identify themselves. A copy of this notice and photos of the posted notice are attached hereto as **Appendix "D"** and **Appendix "E"**, respectively.
- 11) As of the date of writing this report, the Occupants have not contacted the Receiver.
- 12) Justice Brown's order required Canada Investment Corporation to (i) produce its entire file (including its lawyer's file) to the Receiver; (ii) provide a full accounting of the sale to the Receiver; and (iii) pay to the Receiver all proceeds of the sale of the Scollard Property.
- 13) As at the date of this Report, the Receiver has not been contacted by Canada Investment Corporation or anyone on its behalf. The Receiver has not received any file materials, accounting, or funds from Canada Investment Corporation.

All of which is respectfully submitted this 14th day of July, 2014.

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

Per: 
Mark Thomson, CPA, CMA, CIRP