

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Plaintiff

And

2546456 ONTARIO INC.

Defendant

(Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended)

**MOTION RECORD OF IRA SMITH
TRUSTEE & RECEIVER INC. IN ITS CAPACITY AS
COURT-APPOINTED RECEIVER OF 2546456 ONTARIO INC.**

December 21, 2018

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Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Plaintiff

And

2546456 ONTARIO INC.

Defendant

(Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended)

**MOTION RECORD OF IRA SMITH
TRUSTEE & RECEIVER INC. IN ITS CAPACITY AS
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Court File No. CV-18-591968-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

2546456 ONTARIO INC.

Respondent

NOTICE OF MOTION

IRA SMITH TRUSTEE & RECEIVER INC. (the “**Receiver**”) in its capacity as receiver over the lands and premises registered in the name of 2546456 Ontario Inc. (the “**Debtor**”) will make a motion to the Court on Thursday, January 10, 2019, at 10:00 a.m., or soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- in writing under subrule 37.12.1 (1) because it is (*insert one of* on consent, unopposed *or* made without notice);
- in writing as an opposed motion under subrule 37.12.1 (4);
- orally.

THE MOTION IS FOR:

1. an Order, *inter alia*:
 - a. abridging the time for service of this Notice of Motion and the materials filed in support of the motion, including the First Report of Ira Smith Trustee & Receiver Inc. (the “**First Report**”) and dispensing with further service thereof, if required;
 - b. approving and authorizing the sale transaction with respect to the real property at 558 Dovercourt Road, Toronto, Ontario (the “**Property**”) to the Purchaser, or to whom he may direct (the “**Purchaser**”) in accordance with the agreement of purchase and sale entered into by the Receiver and the Purchaser (the “**APS**”)
 - c. vesting all of the Receiver’s right, title and interest in the Property absolutely free and clear of all interest, liens, charges and encumbrances save and except for permitted encumbrances, if any;
 - d. sealing the APS of the Property as well as the summary of offers prepared by the Receiver as outlined in the First Report;
 - e. sealing the appraisals obtained by the Receiver as outlined in the First Report;
 - f. approving the distribution of the proceeds from the sale of the Property in the manner described in the First Report;
 - g. approving the actions and activities of the Receiver as outlined in the First Report;
 - h. approving the professional fees and disbursements of the Receiver for the period of June 5, 2018 to December 13, 2018, as outlined in the First Report;

- i. approving the professional fees and disbursements of the Receiver's legal counsel, Macdonald Sager Manis LLP ("MSM"), for the period of November 6, 2018 to December 14, 2018, as outlined in the First Report; and
- j. such further and other relief as counsel may advise and this Honourable Court permit.

THE GROUNDS FOR THE MOTION ARE:

The Receivership

1. On or about July 30, 2018, the Honourable Justice Dunphy made an order appointing the Receiver (the "**Receivership Order**").
2. The Debtor's principal asset, and the sole asset vested in the Receiver's charge, is a multi-unit residential building located at 558 Dovercourt Road in Toronto, Ontario.
3. The Real Property includes a three-storey home, divided into two separate residential rental units. The front unit is a multi-bedroom residence with shared communal living space. The rear unit is a single self-contained residence. Each of the two units has separate mechanical systems but shares a common dividing wall. There is a detached garage at the rear of the Real Property, located on a laneway. At the Appointment Date, and throughout, both rental units are occupied. The rear unit is occupied by a single tenant and her children. The front unit is inhabited by multiple tenants enjoined on a single lease. The garage is leased by a corporation, a commercial enterprise and is used for storage.

Sales Process

4. As part of the Receiver's activities pursuant to the Receivership Order, commenced a sale

process with respect to thereto with the assistance of Tesa Real Estate Inc. (“Tesa”).

5. Tesa marketed the Property, and ultimately an offer for the Property was accepted by the Receiver and culminated into the APS. The APS remains conditional only on an Approval and Vesting Order being granted by this Court.
6. On or about August 2, 2018, the Receiver obtained an appraisal of the Property from Perkins & Associates.
7. The Receiver is of the view that the APS is the highest and best realization for the Property.

Distribution

8. The encumbrances on the Property are as follows:
 - a) a first charge held by group of investors (Yerusha Investments Inc.; Bamburgh Holdings Ltd.; Pollock, Ronald; Pollock, Judy; Candid Opinion Ltd.; Sabo Properties Limited; Stern, Nechama; Pollak, Charles; Pollak, Nancy; Rubinoff, Mendel; Rubinoff, Judy; The Bank of Nova Scotia Trust Company; Gruneir, Wendy; 1031436 Ontario Inc.; B & M Handelman Investments Limited; Handelman, Carol (collectively the “**First Mortgagee**”) in the amount of \$1,450,000.00 (the “**First Mortgage**”); and
 - b) a second charge held by Money Gate Mortgage Investment Corporation (the “**Second Mortgagee**”) in the amount of \$611,000.00 (the “**Second Mortgage**”);
9. The Receiver recommends a distribution to the First Mortgagee and obtains a discharge of the first mortgage.

10. The Receiver recommends an interim distribution to the Second Mortgagee, in an amount set by the Receiver that will provide a sufficient reserve to pay the remaining outstanding costs, including the final fees and disbursements of the Receiver and its legal counsel.

Approval of Activities

11. The conduct and activities of the Receiver are reasonable in the circumstances and all conduct is consistent with the Receivership Order as issued.
12. The Receiver and its counsel, MSM, are required to pass their accounts from time to time as per the terms of the Receivership Order.
13. The Receiver and MSM have each maintained detailed records of their professional costs and time since the date of the Receivership Order. Such amounts are more fully explained in the First Report, the Affidavit of Brandon Smith and the Affidavit of Lauren Sigal.
14. The Receiver reviewed the fees of MSM and is of the opinion they are reasonable in the circumstances.
15. Such other grounds as counsel may advise and this Honourable Court may permit.

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

1. The First Report of Ira Smith Turstee & Receiver Inc., and the appendices thereto;
2. Affidavit of Brandon Smith, sworn December 15, 2018;
3. Affidavit of Lauren Sigal, sworn December 14, 2018; and

4. Such further and other evidence as counsel advise, and this Honourable Court may permit.

December 18, 2018

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MONEY GATE MORTGAGE INVESTMENT CORPORATION

and

2546456 ONTARIO INC.

Plaintiff

Defendant

Court File Number: CV-18-601199-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

NOTICE OF MOTION

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Court-Appointed Receiver of 2546456 Ontario

Court File No. CV-11-9348-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY, THE 10TH DAY
) OF JANUARY, 2019
JUSTICE)

BETWEEN

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Plaintiff

and

2546456 ONTARIO INC.

Defendant

ORDER

THIS MOTION, made by Ira Smith Trustee & Receiver Inc. in its capacity as the Court-Appointed Receiver (the “Receiver”) over the lands and premises registered in the name of 2546456 Ontario Inc. (the “Debtor”) for an Order, *inter alia*, approving the sale transaction (the “Transaction”) contemplated by an agreement of purchase and sale (the “Sale Agreement”) between the Receiver and 2220193 Ontario Limited (the “Purchaser”) made as of October 31, 2018 and appended to the First Report of the Receiver dated December 15, 2018 (the “First Report”) and vesting in the Purchaser the Debtor’s right, title and interest in and to the real

property described in the Sale Agreement (the “Purchased Asset”), was heard this day at 330 University Avenue, 8th Floor, Toronto, Ontario.

ON READING the First Report and on hearing the submissions of counsel for the Receiver, no one else attending although duly served with notice of the within motion,

1. **THIS COURT ORDERS** that any requirement for service of the Notice of Motion, the Report and the Motion Record be and is hereby abridged, that the motion is properly returnable today, that all parties requesting notice of this motion have been duly served and that service on all parties is hereby validated and any further service is hereby dispensed with.
2. **THIS COURT FURTHER ORDERS AND DECLARES** that the Sales Process of the Receiver of the property municipally known as 558 Dovercourt Road, Toronto, Ontario (the “Property”) owned by the Debtor as more fully described and defined in the First Report be and is hereby approved.
3. **THIS COURT FURTHER ORDERS AND DECLARES** that the Transaction be and is hereby approved and that the Sale Agreement is commercially reasonable and in the best interests of the Debtor and its stakeholders. The execution of the Sale Agreement by the Receiver be and is hereby authorized and approved and the Receiver be and is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Asset to the Purchaser.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's Certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the real property described in the Sale Agreement and listed on Schedule "B" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Dunphy dated July 30, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the said real property are hereby expunged and discharged as against the said real property.
5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with this Honourable Court a copy of the Receiver's Certificate attached hereto as Schedule "A" forthwith after completion of the Transaction and delivery thereof.

6. **THIS COURT ORDERS AND DIRECTS** that upon the registration in the Land Registry Office for the Land Titles Division of Toronto of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar be and is hereby directed to enter the Purchaser as the owner of the Property in fee simple and be and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto.
7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Asset shall stand in the place and stead of the Property and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.
8. **THIS COURT ORDERS** that, notwithstanding:
 - a. the pendency of these proceedings; or
 - b. the bankruptcy of the Debtor

the vesting of the Property in the Purchaser pursuant to this Order shall be binding on any Trustee in Bankruptcy and shall not be void nor voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor

shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

9. **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.
-

Schedule A – Form of Receiver’s Certificate

Court File No. CV-11-9348-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

BETWEEN

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Plaintiff

and

2546456 ONTARIO INC.

Defendant

RECEIVER’S CERTIFICATE**RECITALS**

- A. Pursuant to an Order of the Honourable Justice Dunphy of the Ontario Superior Court of Justice (the “Court”) dated July 30, 2018, Ira Smith Trustee & Receiver Inc. was appointed as Court-Appointed Receiver (the “Receiver”) over the lands and premises registered in the name of 2546456 Ontario Inc. (the “Debtor”).
- B. Pursuant to an Order of the Court dated January 10, 2019, the Honourable Court approved the agreement of purchase and sale made as of October 31, 2018 (the “Sale Agreement”) between the Receiver and 2220193 Ontario Limited (the “Purchaser”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Property, which vesting is to be effective with respect to the Property upon delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the

Purchaser of the Purchase Price for the Property; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Property payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.

This Certificate was delivered by the Receiver at Toronto on February **, 2019.

IRA SMITH TRUSTEE & RECEIVER INC.
in its capacity as Court-Appointed Receiver of
2546456 Ontario Inc.

Per: _____
Brandon Smith, CIRP, Trustee in Bankruptcy

Schedule B – Purchased Assets

558 Dovercourt Road, Toronto, Ontario

[Property Identification No. 21281-0074 (LT)]

PT LT 24 PL D262 TORONTO AS IN CA474878; CITY OF TORONTO

Schedule C – Claims to be deleted and expunged from title to Real Property

Instrument No.	Date	Instrument Type
AT4527558	2017/04/03	Transfer
AT4527566	2017/04/03	Charge
AT527567	2017/04/03	Notice of Assignment of Rent
AT4588484	2017/06/05	Charge
AT4925847	2018/08/01	APL Court Order
AT5004194	2018/11/09	APL Court Order

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vesting Order)

Instrument No.	Date	Instrument Type
----------------	------	-----------------

Court File No. CV-11-9348-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) THURSDAY, THE 10TH DAY
) OF JANUARY, 2019
JUSTICE)

BETWEEN

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Plaintiff

and

2546456 ONTARIO INC.

Defendant

ORDER

THIS MOTION, made by Ira Smith Trustee & Receiver Inc., in its capacity as the Court-Appointed Receiver (the “Receiver”) over the lands and premises registered in the name of 2546456 Ontario Inc. (the “Debtor”) for an Order, *inter alia*, sealing the Agreement of Purchase and Sale of the property municipally known as 558 Dovercourt Road, Toronto, Ontario (the “Property”), the Summary of Offers and the appraisals related thereto, as well as approving the interim distribution to the secured stakeholders and the activities and professional fees of the Receiver and its counsel, was heard this day at 330 University Avenue, 8th Floor, Toronto, Ontario.

ON READING the First Report of the Receiver dated December 15, 2018 (the “First Report”) and upon hearing the submissions of counsel for the Receiver, no one else attending although duly served with notice of the within motion,

1. **THIS COURT ORDERS** that any requirement for service of the Notice of Motion, the Report and the Motion Record be and are hereby abridged, that the motion is properly returnable today, that all parties requesting notice of this motion have been duly served and that service on all parties is hereby validated and any further service is hereby dispensed with.
2. **THIS COURT ORDERS AND DECLARES** that the Agreement of Purchase and Sale of the Property as well as the Summary of Offers prepared by the Receiver as outlined in the First Report be and are hereby sealed pending the filing of the Receiver’s Certificate as to the closing of the sale transaction contemplated by the Agreement of Purchase and Sale or further Order of this Honourable Court.
3. **THIS COURT ORDERS AND DECLARES** that the appraisals obtained by the Receiver as outlined in the First Report be and are hereby sealed pending the filing of the Receiver’s Certificate as to the closing of the sale transaction contemplated by the Agreement of Purchase and Sale or further Order of this Honourable Court.
4. **THIS COURT ORDERS AND DECLARES** that the Receiver be and is hereby authorized and directed to make a distribution to the secured stakeholders, being the First Mortgagees, Yerusha Investments Inc.; Bamburgh Holdings Ltd.; Pollock, Ronald; Pollock, Judy; Candid Opinion Ltd.; Sabo Properties Limited; Stern, Nechama; Pollak, Charles; Pollak, Nancy; Rubinoff, Mendel; Rubinoff, Judy; The Bank of Nova Scotia

Trust Company; Gruneir, Wendy; 1031436 Ontario Inc.; B & M Handelman Investments Limited; Handelman, Carol and to Grant Thornton Limited in its capacity as the Court-Appointed Receiver of Money Gate Mortgage Investment Corporation, as outlined in the First Report.

5. **THIS COURT ORDERS AND DECLARES** that the actions and activities of the Receiver as set out in the First Report be and are hereby approved.
 6. **THIS COURT ORDERS AND DECLARES** that the professional fees and disbursements of the Receiver from June 5, 2018 to December 13, 2018 as contained in the First Report be and are hereby approved.
 7. **THIS COURT ORDERS AND DECLARES** that the professional fees and disbursements of the Receiver's legal counsel, Macdonald Sager Manis LLP, from November 6, 2018 to December 14, 2018, as contained in the First Report be and are hereby approved.
-

Court File No. CV-18-601199-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF 2546456 ONTARIO INC.**

DATED DECEMBER 15, 2018

1.0 INTRODUCTION

1. This report (the “**First Report**”) is filed by Ira Smith Trustee & Receiver Inc. (“**ISI**”) in its capacity as Court-appointed Receiver (the “**Receiver**”), 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**”), without security, over the lands and premises registered in the name of the respondent, 2546456 Ontario Inc. (the “**Company**” or the “**Debtor**”) municipally known as 558 Dovercourt Road, Toronto, Ontario (the “**Real Property**”) including and all proceeds therefrom.

2. The Honourable Mr. Justice Dunphy made an order dated July 30, 2018 (the “**Appointment Date**”) appointing the Receiver (the “**Receivership Order**”). A copy of the Receivership Order is attached hereto as **Exhibit “A”**.

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1.1 Purpose of this Report

3. The purpose of this First Report is to report to this Honourable Court on and seek approval for:

- a) the actions and activities of the Receiver since July 30, 2018;
- b) the listing for sale with an appropriate realtor on the Multiple Listing Service of the Real Property as defined and described in this First Report (the “**Sales Process**”);
- d) the result of the Sales Process utilized by the Receiver;
- e) the offer received from 2220193 Ontario Limited (the “**Purchaser**”) to purchase the Real Property (see discussion below);
- f) the accounting for the receipts and disbursements of the Receiver from July 30, 2018 to December 10, 2018; and
- h) the fees and costs to date incurred by the Receiver and its legal counsel, Macdonald Sager Manis LLP (“**MSM**”).

1.2 Disclaimer

4. In preparing this First Report, the Receiver, where stated, has relied upon information obtained from and discussions with contractors and other third parties as stated herein (collectively, the “**Information**”). The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information and expresses no opinion, or other form

- 3 -

of assurance, in respect of the Information. As indicated herein, notwithstanding having served the Debtor and its principals, namely Messers. P. Katebian, R. Behrouz and J. Ricci, with a copy of the Receivership Order, only Mr. Katebian met with the Receiver and supplied limited books and records of the Company. No books and records were found on the premises of the Real Property. Accordingly, the Receiver had to collect data from third parties and from operating the Real Property to be able to initially determine the financial position of the Real Property, the Company as it relates to the Real Property and to accumulate the Information.

5. This report is prepared solely for the use of the Court and the stakeholders in this proceeding, for the purpose of assisting the Court in making a determination whether to approve the actions and activities of the Receiver, and other relief being sought. It is based on the Receiver's analysis of information provided to it by the management, Directors, staff, and contractors of the Debtor, and other third parties as stated herein, which included unaudited financial statements and internal financial reporting. The Receiver's procedures did not constitute an audit or financial review engagement of the Debtor's financial reporting. Where stated, the Receiver has relied upon the Information in reaching the conclusions set out in this report.

2.0 BACKGROUND AND OVERVIEW

6. The Company's principal asset, and the sole asset vested in the Receiver's charge, by virtue of the Appointment Order is the Real Property, a multi-unit residential building located at 558 Dovercourt Road in the City of Toronto.

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7. The Real Property includes a three-storey home, divided into two separate residential rental units. The front unit is a multi-bedroom residence with shared communal living space. The rear unit is a single self-contained residence. Each of the two units has separate mechanical systems but shares a common dividing wall. There is a detached garage at the rear of the Real Property, located on a laneway. At the Appointment Date, and throughout, both rental units are occupied. The rear unit is occupied by a single tenant and her children. The front unit is inhabited by multiple tenants enjoined on a single lease. The garage is leased by a corporation, a commercial enterprise and is used for storage.

8. The Applicant in these proceedings, Money Gate Mortgage Investment Corporation (“MGMIC”) has an interest in the Real Property by way of second mortgage security. One of MGMIC’s directors is Mr. Payam Katebian. He was also a director and officer of the Debtor. Attached as **Exhibit “B”** is a copy of a corporation profile report for the Debtor dated May 31, 2018. Appended as Exhibit “G” to the Application record of MGMIC (and attached to this report as **Exhibit “C”**) is a corporation profile report for the Debtor as of June 28, 2018. In that report Mr. Rouzbeh Behrouz is listed as the sole officer and director.

9. The Debtor’s solicitor delivered to the Receiver the Company’s minute book. The minute book cites Mr. Payam Katebian as the sole director, officer and shareholder.

10. Mr. Katebian, prior to the Receiver’s appointment represented himself to ISI as both a representative of MGMIC and the Debtor.

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3.0 ACTIVITIES OF THE RECEIVER

3.1 *Books and Records*

11. In preparation for its appointment as Receiver, ISI met with Mr. Katebian to obtain an understanding of the Real Property. Mr. Katebian provided ISI with certain books and records, specifically a copy of the insurance policy for the Real Property, copies of leases for the three tenants occupying the Real Property and electronic copies of the Debtor's bank statements for an account maintained at TD Canada Trust for the period June 31, 2017 to June 29, 2018. Following the issuance of the Receivership Order, Mr. Katebian delivered to the Receiver a set of keys for the Real Property.

12. As the Receiver's mandate pertained solely to the Real Property and no other assets, property or undertakings of the Debtor, any review the Receiver conducted of the bank statements was only to establish a rent roll, corroborating rates of rent, timing of receipts and understanding the operating expenses the landlord was paying. The Receiver's review of the bank statements did not constitute an audit, examination or any form of tracing of funds.

13. The Receiver took the position that any residual funds in the Company's bank account were proceeds from the Real Property, in that they represented net rental income at the Appointment Date. The Receiver requested that TD Canada Trust close the Company's account and remit the proceeds to the Receiver. On August 13, 2018, \$1,605.29 was deposited to the Receiver's trust account.

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14. Mr. Katebian advised the Receiver that the tenants were responsible for establishment and payment of the hydro and natural gas utilities account at the Real Property as well as the water, waste water and solid waste account. Mr. Katebian further advised that he believed that an arrangement was in place whereby the First Mortgagee¹ paid the property taxes.

15. Mr. Katebian advised the Receiver that the Debtor did not maintain any accounting records and did not have an HST number. The Receiver notes that HST is not exigible on residential rent.

16. The Receiver wrote to Mr. Behrouz, who was identified as the sole director and Officer of the Debtor, at the Appointment Date, and to a Mr. Jonathane Ricci, who identified himself to the Debtor's solicitor, as the owner of a corporation who is a shareholder of the Debtor. The Receiver provided both Messers. Behrouz and Ricci with a copy of the Appointment Order and made demand for any and all books and records in their respective possession in relation to the Real Property. Neither Messers. Behrouz nor Ricci provided any books or records, in response to the Receiver's request.

3.2 *Insurance*

17. The Receiver contacted Primeservice Insurance ("**Prime**"), the insurance broker who placed the insurance coverage for the Company on the Real Property. The broker confirmed that

¹ The first mortgage is held by a group of investors (Yerusha Investments Inc.; Bamburgh Holdings Ltd.; Pollock, Ronald; Pollock, Judy; Candid Opinion Ltd.; Sabo Properties Limited; Stern, Nechama; Pollak, Charles; Pollak, Nancy; Rubinoff, Mendel; Rubinoff, Judy; The Bank of Nova Scotia Trust Company; Gruneir, Wendy; 1031436 Ontario Inc.; B & M Handelman Investments Limited; Handelman, Carol (collectively the "**First Mortgagee**")) The mortgage financing was arranged and serviced by Rescom Capital, represented by Mr. G. Gruneir.

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the premium and policy were in good standing and that ISI was added as a named insured to the existing policy, provided by Economical Mutual Insurance Company of Canada. Attached as **Exhibit “D”** is confirmation of insurance coverage.

18. The broker subsequently notified the Receiver that the monthly premium payment automatic debit from the Company’s bank account was refused. As this was due to the Receiver closing the bank account, the Receiver requested an invoice and upon receipt paid the balance of the premium for the balance of the term of the insurance policy, being March 31, 2019.

3.3 *Tenant Matters*

19. One day after the Appointment Date, a representative of the Receiver attended at the Real Property and hand delivered to each of the residential tenants a copy of the Appointment Order with a cover letter advising of its appointment, requesting to be provided with a copy of the lease, that rent is to be paid solely to the Receiver and no other party and that the Receiver would be attending 48 hours later to enter the unit for the purpose of conducting an inspection and appraisal of the Real Property. A copy of a specimen of the letter is attached hereto as **Exhibit “E”**. A similar letter was sent by email to the storage garage tenant.

20. Attached hereto as **Exhibit “F”** is the Receiver’s memo diarizing its July 31, 2018 attendance.

21. On August 2, 2018 a representative of the Receiver attended at the Real Property with Mr. John Perkins, a real estate appraiser (readers are directed to section 5 below regarding the appraisal) and Mr. Afshin Nabavi of Tesa Real Estate Inc. (“Tesa”), the putative listing broker.

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On that date the front unit tenants provided the Receiver with a series of post-dated cheques for rent and expressed frustration regarding attempts to negotiate a new lease with the Debtor and issues faced over deficiencies with the rental unit. The tenants also advised that they were claiming a credit for what will ultimately be the last month's rent. The Receiver advised the tenants in attendance that they may either overhold their exiting expired lease on a month-to-month basis or enter into a new lease with the Receiver as landlord. Ultimately the tenants were requested to communicate in writing with the Receiver regarding the deficiencies and their intended plan regarding their continued tenancy.

22. As the Receiver had not received payment of August rent from the rear unit tenant, on August 2, 2018 the Receiver made a second demand for payment of rent and a copy of the tenant's lease. Ultimately the rear tenant advised the Receiver that a) she was looking for a copy of the lease, but confirmed certain details known to the Receiver from the lease copy provided by Mr. Katebian; b) that the term of the lease had expired and that she would like to remain overholding as a month-to-month tenant; c) that rent for August 2018 was already paid and proof of bank transfer and cheques evidencing payment of first month's, last month's and an additional 11 months rent were paid; d) that she would make future rent payments to the Receiver at the rate prescribed in the lease of \$2,900 per month, mailed one month at a time; and e) that she was claiming a credit for what will ultimately be her last month's rent.

23. After several attempts to follow up with the storage tenant, the tenant ultimately confirmed that it will continue to occupy and pay rent as per its lease at the rate of \$300 per month, to the Receiver, on the 15th of the month, commencing August 15, 2018.

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24. The Receiver and the front unit tenants entered into discussion regarding entering into a new lease, on substantially the same terms as the expired lease with the Debtor. The lease terms agreed to by the Receiver and the tenants are:

- the lease terminates on April 30, 2019;
- the names of the tenants were amended to reflect changes to the occupancy since the signing of the prior lease;
- the monthly rent remained the same at \$4,600 per month; and
- the lease was entered into by the Receiver as landlord, subject to the approval of this Honourable Court, on form 047-2229E as required by the Ontario Ministry of Municipal Affairs and Housing. A copy of the fully executed lease is attached hereto as **Exhibit "G"**.

25. The chief complaint concerning deficiencies in the front unit revolved around a malfunctioning washing machine and dishwasher. The Receiver had technicians attend to inspect the appliances. The washing machine was repaired immediately upon inspection. The dishwasher, required a part that the technician ultimately determined was discontinued. Therefore, the Receiver purchased a new dishwasher (at less cost than the quoted price of the out of stock part) and had a technician install it. A repair to the clothes dryer in the rear unit and to the furnace in the front unit were also carried out as required.

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26. An inspection of the smoke and carbon monoxide detectors in the residential units was carried out and one unit was replaced as it was past its service life and one dead battery was replaced.

3.4 Cash flow and borrowings

27. During the Receiver's August 2nd attendance, the front unit tenants presented the Receiver with mail addressed to the Debtor. They were account statements from the Treasurer of the City of Toronto indicating that both property taxes and the water, waste water and solid waste account were in arrears and that the latter account's arrears had been added to the former. It became apparent to the Receiver that the advice given by Mr. Katebian with regards to these accounts was inaccurate.

28. Attached hereto as **Exhibit "H"** is the Receiver's first reporting to both the Applicant and the First Mortgagee. The Receiver advised, *inter alia*, of the property tax arrears. Neither party responded to advise the Receiver that the City's records were inaccurate. MGMIC also did not respond offering to fund the Receiver by way of Receiver's Certificate, as authorized by the Appointment Order, to retire the property tax arrears. Accordingly, the property taxes have gone unpaid at this time and as they rank as a charge in priority to the First Mortgagee in accordance with the *Municipal Act, 2001, S.O. 2001, c. 25* and will be paid from the proceeds of a sale of the Real Property.

29. The monthly rental income generated by the Real Property is insufficient to service the first mortgage, pay property taxes or fully fund the professional fees of this receivership

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administration. Recognizing this at the outset, as a condition of consenting to act as Receiver, ISI obtained MGMIC's indemnity to fund the receivership by advancing funds to the Receiver by way of Receiver's Certificates. ISI also obtained a \$5,000 cash retainer.

30. Mr. Katebian asked the Receiver how the August payment was to be made to the First Mortgagee, the Receiver indicated that MGMIC could either fund the Receiver by way of a Receiver's Certificate or pay the First Mortgagee directly. MGMIC chose to fund directly. The Receiver assumed that any subsequent payments to the First Mortgagee to keep the mortgage current were made in this manner as no funds were advanced to the Receiver under a Receiver's Certificate.

31. The Receiver was aware that MGMIC was under investigation by the Ontario Securities Commission. At the end of August 2018, the Receiver made a funding request under the MGMIC indemnity. Mr. P. Katebian advised the Receiver that MGMIC was not in a position to fund and that the Receiver should look to the initial retainer and rental income in its possession in order to fund the receivership administration.

4.0 MGMIC RECEIVERSHIP

32. On November 6, 2018, pursuant to an Order of the Ontario Superior Court of Justice, Commercial List, on application of the Ontario Securities Commission, Grant Thornton Limited ("GTL") was appointed receiver over all of the assets, properties and undertakings of MGMIC (the "MGMIC Receiver"). Attached as **Exhibit "I"** is a copy of the MGMIC receivership order.

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33. The Receiver sent an email on November 22, 2018 to the MGMIC Receiver to advise of its prior appointment in this proceeding and to provide a brief status report regarding the receivership administration and the putative sale. In accordance with Paragraph 3 of the Receivership Order, that email was also sent to the First Mortgagee contemporaneously.

34. In reply to the Receiver's email, for the first time, the First Mortgagee advised that MGMIC had not made the scheduled November payment to the First Mortgagee. The First Mortgagee also advised that it was waiting to determine what action to take, if any, depending on whether or not the potential purchaser of the Real Property waived its conditions by 8:00 PM on November 30, 2018 (see further discussion in the next section of this First Report).

5.0 SALES PROCESS

35. The Appointment Order, *inter alia*, granted the Receiver the power to market any and all of the Property (as defined in the Receivership Order) including advertising and soliciting offers and negotiating terms of sale.

36. The Receiver entered into a listing agreement with Tesa. A copy of the listing agreement is attached hereto as **Exhibit "J"**. The Receiver believes that the highest and best realization can be achieved by using a realtor to list and market the Real Property, on the Multiple Listing Service ("MLS"). Therefore, the Sales Process was for Tesa to market the property for sale by listing it on the MLS and performing all other normal marketing activities for such a property, including the realtor establishing a website to advertise the Real Property for sale.

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37. The Sales Process allows the Receiver being in a position to: (i) evaluate all offers; (ii) provide any final information to the relevant parties that they may need in connection with such offers; (iii) obtain all necessary approvals from this Honourable Court; and (iv) complete the sale contemplated under the Receivership Order.

38. The Receiver believes that the Sales Process outlined above and as undertaken, allows the marketplace to move quickly and allows the Receiver to obtain offers for the Property in an expeditious timeframe.

39. Tesa's Mr. Nabavi asked the Receiver to approve a proof of the property website and of advertising for publication regarding the sale of the Real Property. Mr. Nabavi decided to advertise both in English and in a foreign language publication he felt would reach a market of appropriate potential purchasers. The Receiver accepted Mr. Nabavi's advice that the foreign language draft advertisement was a translated version of the English language draft advertisement. Mr. Nabavi also requested the Receiver to provide details of the tenancies, property taxes and utility costs. The Receiver provided the requested information, other than for utility costs. The Receiver advised Mr. Nabavi that in accordance with the front unit residential tenancy lease and the arrangement under which the rear unit tenant was living in that unit, the tenants paid for their own utilities. Accordingly, the Receiver did not have that information.

40. Attached hereto as **Exhibit "K"** is a summary of all offers received through the Sales Process. The Receiver requests that the Exhibit be sealed until after the closing of the sales transaction contemplated herein for reasons of confidentiality.

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41. In total seven offers were submitted, from two parties, one of which submitted five offers in the names of various individuals and corporations.

42. The Sales Process culminated in the submission of an offer on October 31, 2018 which, after several rounds of writebacks, resulted in a conditional offer that was mutually accepted on November 3, 2018. As previously stated, the offeror had until 8:00 PM on November 30, 2018 to waive its conditions if it wished to complete the purchase of the Real Property.

43. Attached hereto as sealed **Exhibit "L"** is a copy of the APS. The Receiver requests that the Exhibit be sealed until after the closing of the sales transaction contemplated herein for reasons of confidentiality.

44. The offeror waived its conditions on November 30, 2018. Attached hereto as **Exhibit "M"** is the waiver. This offer is now a firm and binding Agreement of Purchase and Sale (the "APS"), subject to the approval of this Honourable Court.

45. Deposit funds from the Purchaser were received by Tesa on November 6, 2018 and the Receiver provided the Purchaser with signed consents and direction as requested.

46. The APS stipulates the Purchaser will assume the residential tenancies, but requests vacant possession of the garage at the rear of the Real Property. On December 10, 2018, the Receiver delivered to the garage tenant notice of termination effective 30 days from December 15, 2018. A copy of the Receiver's notice and the garage lease are attached hereto as **Exhibits "N" and "O"** respectively.

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47. The garage tenant will be served with notice of the Receiver's motion to *inter alia*, approve the APS. The Receiver requests that this Honourable Court approve the termination of the garage lease to facilitate the closing of the transaction as contemplated by the APS.

48. The APS was attractive for the following reasons:

- i. the purchase price was the highest one of any previous offer received;
- ii. it accepts the Receiver's required terms of sale;
- iii. the Sales Process was run in a fair, transparent and even-handed manner;
- iv. as required by the Receivership Order, if this transaction is completed, the First Mortgagee will not suffer a shortfall;
- v. as established by exposing the Property to the marketplace through the MLS and Tesa, and as indicated below, the offer of the Purchaser represents fair value for the Property;
- vi. the Receiver will have sufficient cash on closing to address all outstanding expenses, professional fees and prior ranking claims, if any; and
- vii. MGMIC will suffer a shortfall and to date, the MGMIC Receiver has not to date expressed any opposition to the sales price.

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6.0 APPRAISAL OF THE PROPERTY

46. Subject to the approval of this Honourable Court the Receiver retained Perkins & Associates (“Perkins”) to perform an appraisal of the Real Property. Attached hereto as sealed **Exhibit “P”** is a copy of the appraisal obtained by the Receiver, as of August 2, 2018 dated August 8, 2018. The Receiver requests that the Exhibit be sealed until after the closing of the sales transaction for reasons of confidentiality.

7.0 VALIDITY OF MORTGAGE SECURITY

47. Attached hereto as **Exhibit “Q”** is a copy of the opinion of Howard Manis of MSM which *inter alia*, opines that the security held by the First Mortgagee is valid and enforceable and ranks in first position; and that that the security of MCMIC (the “**Second Mortgagee**”) is valid and enforceable and ranks in second position subject to claims which may outrank them by statute.

48. The Receiver is not aware of the existence of any claims which rank in priority to the security held by the First Mortgagee by statute or otherwise, other than for the property tax arrears.

49. Attached as **Exhibits “R” and “S”** is a copy of a payout statement from each of the First Mortgagee and the Second Mortgagee, respectively.

50. The Receiver respectfully recommends to this Honourable Court that as part of the completion of the sale of the Real Property in accordance with the APS, the Receiver make a distribution to the First Mortgagee and obtains a discharge of the first mortgage.

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51. The Receiver respectfully recommends to this Honourable Court that the Receiver make an interim distribution to the MGMIC Receiver as Second Mortgagee, following closing of the transaction contemplated by the APS. The interim distribution will be an amount set by the Receiver that will provide a sufficient reserve to pay the remaining outstanding costs, including the final fees and disbursements of the Receiver and its legal counsel.

52. Once all final amounts have either been paid or reserved, the Receiver will make application to this Honourable Court to advise that all necessary receivership activities have been completed, provide a final accounting, make its recommendation for the amount of the final distribution to the Second Mortgagee and seek its discharge.

8.0 RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

53. As described in this First Report the Receiver has been collecting and utilizing the rent receipts. Attached as **Exhibit "T"** is the Receiver's Statement of Receipts and Disbursements for the period July 30 to December 10, 2018. As described therein the Receiver holds \$16,582.72 as of December 10, 2018.

54. Separate from the above described funds held in the Receiver's estate specific trust account, the Receiver holds an additional \$5,000.00 indemnity deposit in its general trust account. These funds were received from MCMIC and if not otherwise required for funding this receivership, the Receiver, at a subsequent date, intends to seek the advice and direction of this Honourable Court to pay the funds to the MGMIC Receiver as part of its intended future motion for discharge.

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8.0 PROFESSIONAL FEES AND DISBURSEMENTS

55. Attached as **Exhibit “U”** is a copy of the Affidavit of Mr. Brandon Smith in connection with the Receiver’s fee and disbursements including the detailed statement of account for the period from June 6, 2018 to December 13, 2018 in the amount of \$37,530.95 (inclusive of HST). As indicated in the Statement of Receipts and Disbursements, to date, the amount of \$15,539.77 (inclusive of HST) has been advanced on account of the fee and disbursements.

56. Attached as **Exhibit “V”** is a copy of the Affidavit of Lauren Sigal in connection with MSM’s fee and disbursements including the detailed statement of account for the period November 6, 2018 to December 14, 2018 in the amount of \$16,235.00 (excluding HST). As indicated in the Statement of Receipts and Disbursements, to date, the amount of \$NIL has been advanced on account of MSM’s fee and disbursements.

9.0 OTHER MATTERS

57. In accordance with Subsections 245(1) and 246(1) of the BIA, on August 1, 2018, ISI’s statutory Report (the “**BIA Report**”) was sent by ordinary mail to the Debtor, the Office of the Superintendent of Bankruptcy and all known creditors of the Debtor. Attached as **Exhibit “W”** to this First Report is a copy of the BIA Report.

58. The Receiver maintains a webpage dedicated to the Receivership on its website, accessible at http://www.irasmithinc.com/case_studies/558Dovercourt/index.html

59. On August 22, 2018, the Receiver notified representatives of the First Mortgagee and MCMIC that the Real Property listing has been posted on the multiple listing service and

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provided them with the link to the online advertisement of the sale, in the event they or someone known to them would have interest in participating in the Sales Process.

10.0 CONCLUSION AND RECOMMENDATIONS

60. For the reasons set out in this First Report, the Receiver respectfully requests that this Honourable Court approve:

- a. this First Report and the actions and activities of the Receiver described herein since July 30, 2018;
- b. the Receiver's retainers of Tesa and Perkins, assisting the Receiver;
- c. the Sales Process as defined and described in this First Report including the listing agreement entered into between the Receiver and Tesa;
- d. the lease entered into between the Receiver and the tenants of the front rental unit;
- e. the Receiver's termination of the lease for the garage at the rear of the Real Property;
- f. the offer to purchase the Property by the Purchaser, as described and included herein;
- g. the accounting for the receipts and disbursements of the Receiver from June 30 to December 10, 2018;

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- h. the payment of a full and final distribution to the First Mortgagee and an interim distribution to the Second Mortgagee; and
- i. the fees and costs to date incurred by the Receiver and its legal counsel, MSM.

**

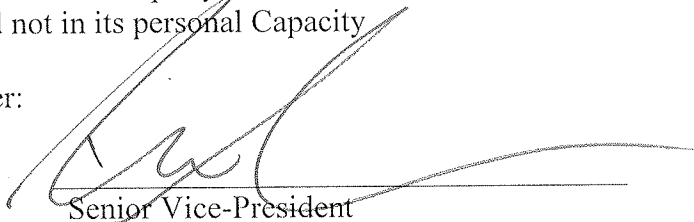
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All of which is respectfully submitted at Toronto, Ontario this 15th day of December, 2018.

IRA SMITH TRUSTEE & RECEIVER INC.
solely in its capacity as Court-Appointed Receiver
of the Real Property of 2546456 Ontario Inc.
and not in its personal Capacity

Per:



Senior Vice-President

Court File No. CV-18-601199-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) MONDAY, THE 30TH
JUSTICE) DAY OF JULY, 2018

BETWEEN:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

and

2546456 ONTARIO INC.

Respondent

Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended

ORDER
(appointing Receiver)

THIS APPLICATION brought 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 Ira Smith Trustee & Receiver Inc. as receiver (the "Receiver") without security, over the lands and premises registered in the name of the Respondent, 2546456 Ontario Inc. (the "Debtor") municipally known as 558 Dovercourt Road, Toronto, Ontario and having the legal description as set out in Schedule "A" hereto (the "Real Property") including and all proceeds therefrom was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Morteza Katebian sworn July 4, 2018 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for B & M Handelman Investments Limited,

Carol Handelman, Yerusha Investments Inc., Bamburgh Holdings Ltd., Ronald Pollock, Judy Pollock, Candid Opinion Ltd., Sabo Properties Limited, Nechama Stern, Charles Pollak, Nancy Pollak, Mendel Rubinoff, Judy Rubinoff, The Bank of Nova Scotia Trust Company, Wendy Gruneir and 1031436 Ontario Inc. (collectively, the "First Mortgagee") no one from the service list appearing although duly served as appears from the affidavit of service of, and on reading the consent of Ira Smith Trustee & Receiver Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ira Smith Trustee & Receiver Inc. is hereby appointed Receiver, without security, of the Real Property and all proceeds therefrom (together with the Real Property, the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (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 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;
- (j) 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;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; 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.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) 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;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person. Notwithstanding anything contained in this Order, the Receiver shall not enter into an agreement to sell the Property for an amount that does not satisfy the claimed payment of the first mortgage registered against the Property as Instrument No. AT4527566 in favour of the First Mortgagee (the "First Mortgage") in full. Further notwithstanding anything contained in this Order, the Receiver shall report to, meet with and discuss with the First Mortgagee and the Applicant, or their authorized representative(s), on a contemporaneous basis, on all matters relating to the Property and the receivership, and share information, subject to such terms as to confidentiality as the Receiver deems advisable.

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. Provided, however, that if at any time or from time to time a payment of monthly interest under the First Mortgage is not received by the First Mortgagee when due, or in the event of a material physical adverse change in the condition of the Property, the First Mortgagee shall be at liberty to issue a notice of sale under mortgage and to exercise all its rights thereunder, including selling the Property under power of sale, without the written consent of the Receiver or leave of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that, subject to the exception contained in paragraph 8 of this Order, 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 this stay and

suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the 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. Notwithstanding anything contained in this Order, the Receiver shall

be at liberty to make monthly payments under the First Mortgage from the Post Receivership Accounts without 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*.

PIPEDA

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 second charge on the Property 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 First Mortgage and 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 \$250,000.00 (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 First Mortgage, 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 "B" 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.

24. THIS COURT ORDERS that notwithstanding paragraphs 20 to 23 inclusive, and as an alternate thereto, the Receiver is hereby authorized to borrow money and to fund the exercise of its powers and duties hereunder by way of advances from the Applicant, which advances shall be secured by the Applicant's security on the Property, with the same priority that may attach to such security.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL http://www.irasmithinc.com/case_studies/558Dovercourt.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

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

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

31. THIS COURT ORDERS that the Applicant shall have its costs of this 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.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SCHEDULE "A"**LEGAL DESCRIPTION OF REAL PROPERTY**

PIN 21281 -0074 LT

PT LT 24 PL D262 TORONTO AS IN CA474878; CITY OF TORONTO

MUNICIPALLY KNOWN AS 558 DOVERCOURT RD, TORONTO

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Ira Smith Trustee & Receiver Inc., the receiver (the "Receiver") of the Property of the Debtor, as such terms are defined in the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the _____ day of _____, 20__.

Ira Smith Trustee & Receiver Inc., solely in its
capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

MONEY GATE MORTGAGE INVESTMENT CORPORATION -and-
Applicant

2546456 ONTARIO INC.
Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER

STEINBERG TITLE HOPE & ISRAEL LLP

Barristers & Solicitors
5255 Yonge Street, Suite 1100
Toronto, Ontario
M2N 6P4

David A. Brooker (35787W)

Tel: 416-225-2777

Fax: 416-225-7112

Lawyers for the Applicant

RCP-E 4C (May 1, 2016)

Request ID: 021709260
 Transaction ID: 68228195
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/05/31
 Time Report Produced: 10:34:26
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name		Incorporation Date
2546456	2546456 ONTARIO INC.		2016/11/16
			Jurisdiction
			ONTARIO
			Former Jurisdiction
			NOT APPLICABLE
Corporation Type	Corporation Status		
ONTARIO BUSINESS CORP.	ACTIVE		
Registered Office Address		Date Amalgamated	Amalgamation Ind.
1 EMERALD LANE		NOT APPLICABLE	NOT APPLICABLE
Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2		New Amal. Number	Notice Date
		NOT APPLICABLE	NOT APPLICABLE
			Letter Date
			NOT APPLICABLE
Mailing Address		Revival Date	Continuation Date
1 EMERALD LANE		NOT APPLICABLE	NOT APPLICABLE
Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Commenced in Ontario	Date Ceased in Ontario
	Minimum Maximum		
	00001 00010	NOT APPLICABLE	NOT APPLICABLE
Activity Classification			
NOT AVAILABLE			

Request ID: 021709260
 Transaction ID: 68228195
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/05/31
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CORPORATION PROFILE REPORT

Ontario Corp Number

2546456

Corporation Name

2546456 ONTARIO INC.

Corporate Name History

2546456 ONTARIO INC.

Effective Date

2016/11/16

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

**Administrator:
 Name (Individual / Corporation)**

ROUZBEH
 BEHROUZ

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/04/05

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 021709260
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 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

2546456

Corporation Name

2546456 ONTARIO INC.

Administrator: Name (Individual / Corporation)

ROUZBEH
 BEHROUZ

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/04/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator: Name (Individual / Corporation)

ROUZBEH
 BEHROUZ

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/04/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 021709260
 Transaction ID: 68228195
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

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CORPORATION PROFILE REPORT

Ontario Corp Number

2546456

Corporation Name

2546456 ONTARIO INC.

**Administrator:
 Name (Individual / Corporation)**

ROUZBEH
 BEHROUZ

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/04/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

**Administrator:
 Name (Individual / Corporation)**

ROUZBEH
 BEHROUZ

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/04/05

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

GENERAL MANAGER

Resident Canadian

Y

Request ID: 021709260
 Transaction ID: 68228195
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/05/31
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2546456	2546456 ONTARIO INC.

Administrator: Name (Individual / Corporation)	Address
PAYAM KATEBIAN	1 EMERALD LANE Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2

Date Began	First Director	Resident Canadian
2017/03/30	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
PAYAM KATEBIAN	1 EMERALD LANE Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2

Date Began	First Director	Resident Canadian
2017/03/31	NOT APPLICABLE	
Designation	Officer Type	
OFFICER	PRESIDENT	Y

Request ID: 021709260
 Transaction ID: 68228195
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/05/31
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CORPORATION PROFILE REPORT

Ontario Corp Number

2546456

Corporation Name

2546456 ONTARIO INC.

Administrator: Name (Individual / Corporation)

PAYAM
 KATEBIAN

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Administrator: Name (Individual / Corporation)

PAYAM
 KATEBIAN

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/31

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 021709260
Transaction ID: 68228195
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/05/31
Time Report Produced: 10:34:26
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2546456	2546456 ONTARIO INC.

Last Document Recorded		Form	Date
Act/Code	Description		
CIA	INITIAL RETURN	1	2018/02/26

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.

Exhibit "C"

61

Request ID: 021829540
 Transaction ID: 88544376
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/06/28
 Time Report Produced: 16:54:37
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2546456	2546456 ONTARIO INC.	2016/11/16
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
1 EMERALD LANE	NOT APPLICABLE	NOT APPLICABLE
Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
1 EMERALD LANE		NOT APPLICABLE
Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors	
NOT AVAILABLE	Minimum Maximum	
	00001 00010	

Request ID: 021829540
 Transaction ID: 68544378
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/06/28
 Time Report Produced: 15:54:37
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2546456	2546456 ONTARIO INC.

Corporate Name History	Effective Date
2546456 ONTARIO INC.	2016/11/16

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
ROUZBEH BEHROUZ	1 EMERALD LANE Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2

Date Began	First Director	Resident Canadian
2017/03/30	NOT APPLICABLE	Y
Designation	Officer Type	
DIRECTOR		

Request ID: 021829540
 Transaction ID: 68544376
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/06/28
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CORPORATION PROFILE REPORT

Ontario Corp Number

2546456

Corporation Name

2546456 ONTARIO INC.

Administrator:

Name (Individual / Corporation)

ROUZBEH
 BEHROUZ

Address

1 EMERALD LANE

Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

ROUZBEH
 BEHROUZ

Address

1 EMERALD LANE

Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 021829540
 Transaction ID: 68544376
 Category ID: UNE

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/06/28
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CORPORATION PROFILE REPORT

Ontario Corp Number

2546456

Corporation Name

2546456 ONTARIO INC.

**Administrator:
 Name (Individual / Corporation)**

ROUZBEH
 BEHROUZ

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

**Administrator:
 Name (Individual / Corporation)**

ROUZBEH
 BEHROUZ

Address

1 EMERALD LANE
 Suite # 409
 THORNHILL
 ONTARIO
 CANADA L4J 8N2

Date Began

2017/03/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

GENERAL MANAGER

Resident Canadian

Y

Request ID: 021829640
 Transaction ID: 68544376
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2018/06/28
 Time Report Produced: 15:54:37
 Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2546456

2546456 ONTARIO INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA CHANGE NOTICE

1

2018/06/22 (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.

Exhibit "D"

● ● ●
economical

Economical Mutual Insurance Company
(HEREINAFTER CALLED THE INSURER)

EXPRESS Policy

Policy No. 040186077 P

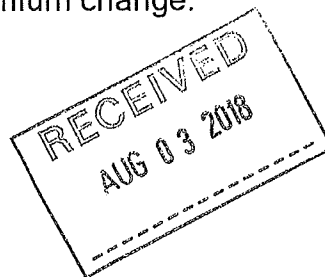
Named Insured and Mailing Address		Broker Name and Address	Broker Code
2546456 ONTARIO INC AND IRA SMITH TRUSTEE AND RECEIVER INC 167 APPLEWOOD CRES SUITE 6 CONCORD, ONT L4K 4K7		PRIMESERVICE INSURANCE THORNHILL, ONTARIO L3T 7M8 (905) 886-7277	06524
Total Premium For This ENDORSEMENT		POLICY COMMISSION 20.00 %	
NIL		INSURANCE PERIOD	FROM TO
Billing Method		12:01 am Standard Time at the Postal Address of the Named Insured as stated herein.	31 07 2018 31 03 2019 Day Month Year Day Month Year
CLIENT BILL - PAC			

Thank you For Your Continued Trust In The Economical Insurance Group

Canadian Owned and Managed, the Economical Insurance Group is one of the largest property and casualty insurers in Canada.

Our staff are dedicated to working with your Independent Broker to fulfill your Insurance needs.

This documentation outlines the terms of the recent change made to your policy. Please note the TOTAL PREMIUM FOR THIS ENDORSEMENT box above, which indicates any applicable premium change.



This policy is made and accepted subject to forms 4225 Additional Exclusions; 2180 Standard Conditions and 2184 Statutory Conditions which are hereby specially referred to and made a part of this policy together with such other provisions, agreements or conditions as may be endorsed hereon or added hereto.


Economical Mutual Insurance Company

(HEREINAFTER CALLED THE INSURER)

EXPRESS Policy

Policy No. 040186077 P

LOCATION 558 DOVERCOURT RD
TORONTO, ONT
M6H 2W6

Occupancy - RENTED DWELLINGS -1 OR 2 FAMILIES- OWNER'S RISK
Construction - MASONRY

Loss, if any, payable to:**Coverage A, E, F, G**

C & K MORTGAGE SERVICES INC.
(FIRST MORTGAGEE)
1670 BAYVIEW AVE
SUITE 400
TORONTO, ONT
M4G 3C2

Coverage A, E, F, G

MONEY GATE MORTGAGE INVESTMENT CORPORATION
(SECOND MORTGAGEE)
25 MALLARD RD
NORTH YORK, ONT
M3B 1S4

COVERAGES:

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
					CHANGE

A COMMERCIAL BUILDING - EXPRESS BUILDING

6557		5,000	1,433,000		
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economical
Economical Mutual Insurance Company

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EXPRESS Policy
Policy No. 040186077 P
COVERAGES:

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
					CHANGE

B EXPRESS ON-PREMISES EXTENSION FORM

6558		5,000	500,000		
------	--	-------	---------	--	--

Note: The limit of coverage for loss of any or all items under this extension shall be an aggregate of \$500,000 per policy.

The EXPRESS On Premises Extension Endorsement includes the following:

- breakdown of EDP equipment, data and media
- accounts receivable
- valuable papers and records
- fine arts (\$75,000 per item)
- master key coverage
- consequential loss assumption including off premises power
- seasonal automatic increase
- contingent liability from enforcement of building by-laws
- building damage by theft
- clean up expense for on premises pollutants (\$25,000 sub-limit)
- debris removal
- automatic inflation protection
- cost of preparing proof of loss
- automatic fire suppression system recharge expense
- fire department service charges
- Eco-Friendly enhancement (\$50,000 sub-limit)

C EXPRESS OFF-PREMISES EXTENSION FORM

6559		5,000	500,000		
------	--	-------	---------	--	--

Note: The limit of coverage for loss of any or all items under this extension shall be an aggregate of \$500,000 per policy.

The EXPRESS Off Premises Extension Endorsement includes the following:

- removal
- newly acquired building
- contents at newly acquired locations
- property away from location
- building in course of construction
- installation floater

D PRIVACY BREACH EVENT EXPENSES


4303			10,000		
------	--	--	--------	--	--

E EXPRESS BOILER AND MACHINERY EXTENSION FORM

6560		5,000	1,457,000		
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The EXPRESS Boiler and Machinery Extension Endorsement includes the following:

- spoilage
- service interruption and by-laws
- business interruption/extra expense
- hazardous substance cleanup subject to sub-limit of \$100,000
- data coverage subject to sub-limit of \$25,000


Economical Mutual Insurance Company

(HEREINAFTER CALLED THE INSURER)

EXPRESS Policy

Policy No. 040186077 P

COVERAGES:

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
					CHANGE

F SEWER BACKUP DEDUCTIBLE

4247		5,000	Included		
------	--	-------	----------	--	--

G TENANTS RESTRICTION ENDORSEMENT
TENANTS RESTRICTION

2112			Included		
------	--	--	----------	--	--

H LOSS OF INCOME - ACTUAL LOSS SUSTAINED - 12 MONTH INDEMNITY

6561			Included		
------	--	--	----------	--	--

OTHER COVERAGES:

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
					CHANGE

A COMMERCIAL GENERAL LIABILITYRENTED DWELLINGS -1 OR 2 FAMILIES- OWNER'S RISK LOCATED AT
558 DOVERCOURT RD, TORONTO, ON M6H 2W6

2294		2,500	2,000,000		
------	--	-------	-----------	--	--

PRODUCTS AND COMPLETED OPERATIONS AGGREGATE

2,000,000

B PERSONAL INJURY LIABILITY

2294			2,000,000		
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C MEDICAL PAYMENTS

ANY ONE PERSON

2294			25,000		
------	--	--	--------	--	--

D TENANTS LEGAL LIABILITY

ANY ONE LOCATION

2294		2,500	250,000		
------	--	-------	---------	--	--

E EMPLOYERS BODILY INJURY LIABILITY COVERAGE EXTENSION ENDORSEMENT

APPLIES TO CLERICAL EMPLOYEES ONLY

2299			2,000,000		
------	--	--	-----------	--	--

F VOLUNTARY COMPENSATION RIDER (\$100 WEEKLY INDEMNITY LIMIT)

2081			Included		
------	--	--	----------	--	--

economical

Economical Mutual Insurance Company

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EXPRESS Policy

Policy No. 040186077 P

OTHER COVERAGES:

FORM	CO-INS	DEDUCTIBLE	LIMIT	RATE	PREMIUM
					CHANGE

G ADVERTISING LIABILITY EXTENSION ENDORSEMENT

2333			2,000,000		
------	--	--	-----------	--	--

H S.P.F. 6 STANDARD NON-OWNED AUTOMOBILE POLICY

6063			2,000,000		
------	--	--	-----------	--	--

I S.E.F. NO. 96 CONTRACTUAL LIABILITY ENDORSEMENT

6663			Included		
------	--	--	----------	--	--

J S.E.F. NO. 99 EXCLUDING LONG TERM LEASED VEHICLE ENDORSEMENT

6664			Included		
------	--	--	----------	--	--

K EMPLOYEE BENEFITS LIABILITY COVERAGE FORM

DEDUCTIBLE APPLIES PER CLAIM

2311		1,000	2,000,000		
------	--	-------	-----------	--	--

AGGREGATE

2,000,000

Total Premium

NIL

Total Yearly Premium

\$ 3,206

THIS POLICY INCLUDES THE FOLLOWING DISCOUNTS:

Loyal Client / Renewal

Claims Free

Exhibit "E"

IRA SMITH
TRUSTEE & RECEIVER INC.

STARTING OVER, STARTING NOW

167 Applewood Cres. Suite 6, Concord, ON L4K 4K7

Phone: 905.738.4167

Fax: 905.738.9848

irasmithinc.com

Brandon Smith

Phone: 905.738.4167 ext. 113

Email: brandon@irasmithinc.com

July 31, 2018

DELIVERED

{INSERT NAME}; and all occupants of Suite {INSERT NUMBER}
558 Dovercourt Road, Suite {INSERT NUMBER}
Toronto, ON M5H 2W6

Dear Sirs/Mesdames

2546456 Ontario Inc. (the "Company")
558 Dovercourt Road, Toronto (the "Premises")

We are writing to advise that, pursuant to an Order of the Ontario Superior Court of Justice, dated July 30, 2018, Ira Smith Trustee & Receiver Inc. was appointed Receiver (the "Receiver") of the Company's real property located at 558 Dovercourt Road, Toronto. We enclose a copy of the Court Order for your files.

Please be advised that as a result of our appointment as Receiver, until further notice, all amounts owing for rental arrears, current and future rent must be paid directly to the Receiver and not to the Company or any party you may have previously paid rent to. Payment to any party other than the Receiver will not eliminate your liability.

If you are paying your rent by postdated cheques or pre-authorized debit, you must immediately stop payment on all such cheques and cancel any pre-authorized debits with your bank, as the Receiver has not yet located any such post-dated cheques and is unaware of any pre-existing auto debit arrangements and we would not wish for you to suffer such a loss.

You may pay your August rent in one of two ways: (1) by mailing a cheque or money order/bank draft to the Receiver's office; or (2) by contacting the Receiver and requesting that payment be picked up when the Receiver attends the Premises on August 2nd. Our address, telephone, fax and email are indicated above. We request for administrative efficiency that September and subsequent rent be paid by providing the Receiver with a series of postdated cheques.

We are currently in the process of reviewing the information available to us. In order for us to determine the accuracy of the Company's records in our possession, please provide a copy of your lease agreement with the first rent payment.

We advise that we will be conducting an inspection and appraisal of the property, **which will require us entering and accessing your unit.** This will take place on **Thursday August 2, 2018 between 3:00 PM and 4:30 PM.**

We look forward to and appreciate your cooperation.

Yours truly,

IRA SMITH TRUSTEE & RECEIVER INC.,
solely in its capacity as Receiver of 2546456 Ontario Inc.

Per:

Brandon Smith, CIRP, LIT
Senior Vice-President

enc



IRA SMITH
TRUSTEE & RECEIVER INC.

STARTING OVER, STARTING NOW

167 Applewood Cres. Suite 6, Concord, ON L4K 4K7

Phone: 905.738.4167

Fax: 905.738.9848

irasmithinc.com

Memo

Brandon Smith

Phone: 905.738.4167 ext. 113

Email: brandon@irasmithinc.com

To: 558 Dovercourt – Tenant File
From: Brandon Smith
CC:
Date: July 31, 2018
Re: Attornment of Rent

Today at approximately 14:30 this author attended at the subject property to serve the tenants with notice of our appointment including a copy of the Order and the landlord's intention to enter the suites on August 2 at approximately 15:00 to inspect and carry out an assessment with an appraiser. This author further put the tenants on notice to only pay rent to the Receiver and to cease payment to any other party. A copy of the notices are in the tenant file.

The property appeared structurally sound and the exterior well maintained. The glass pane on the front entry door to the "front" suite, unit 1 was missing and a temporary repair involving duct tape was carried out. The author could not determine how it was affixed from the inside.

Notice of the appointment was hand delivered to a female in unit 1 who identified herself as J. X., one of the scheduled "occupants" on the lease, the sister of C. X., one of the scheduled "tenants".

At 15:43 M. M., scheduled occupant, left a voicemail message for this author, indicating that she will have postdated rent cheques available for pickup when this author re-attends on August 2nd.

This author returned M. M.'s call to thank her and to understand the status of the tenancy as the lease expired on June 31, 2018, M. M. indicated that the expiry was today. Upon subsequent inspection of the lease, it would appear that "June 31" is a typo as the lease term is "12 months" from August 31, 2017, expiring on "June 31, 2018".

M. M. indicated that the tenants/occupants wished to remain in place until April 2019. This author indicated that is fine for the Receiver and they can remain M2M or explore entering into a new lease. M. M. indicated that lease negotiations were under way with Payam, and this author indicated that such discussions can only take place with the

Receiver as no other party can contract with respect to the premises. M. M. also indicated that payment will be stopped on postdated cheques and new ones will be given to the Receiver. The Receiver notes that on July 25, 2018 Payam indicated that he did not have any postdated rent cheques.

M. M. enquired about repairing deficiencies. This author indicated that he was not aware of any, as the appointment has been in effect for 24 hours, but that the tenants should send him an email detailing the deficiencies, when they were reported to the landlord and what, if any corrective action was taken.

Notice of the appointment was hand delivered to a female in unit 2 who identified herself as C. L., the tenant under the lease.



**Residential Tenancy Agreement
(Standard Form of Lease)**

Note

This tenancy agreement (or lease) is required for tenancies entered into on **April 30, 2018 or later**. It does not apply to care homes, sites in mobile home parks and land lease communities, most social housing, certain other special tenancies or co-operative housing (see Part A of General Information).

Residential tenancies in Ontario are governed by the *Residential Tenancies Act, 2006*. This agreement cannot take away a right or responsibility under the *Residential Tenancies Act, 2006*.

Under the Ontario *Human Rights Code*, everyone has the right to equal treatment in housing without discrimination or harassment.

All sections of this agreement are mandatory and cannot be changed.

1. Parties to the Agreement

Residential Tenancy Agreement between:

Landlord(s)

- Landlord's Legal Name
IRA SMITH TRUSTEE & RECEIVER INC., RECEIVER OF THE REAL PROPERTY OF 2546456 ONTARIO INC.

Note:

See Part B in General Information

and Tenant(s)

1. Last Name XAVIER	First Name CHLOÉ
2. Last Name ELZEIN	First Name YASMEENAH
3. Last Name LIU	First Name KEITH
4. Last Name ELLIOTT	First Name SARAH
5. Last Name MCGUIRE	First Name MEGAN
6. Last Name XAVIER	First Name JESSICA

2. Rental Unit

The landlord will rent to the tenant the rental unit at:

Unit (e.g., unit 1 or basement unit) UNIT 1 (INCLUDING BASEMENT)	Street Number 558	Street Name DOVERCOURT ROAD
City/Town TORONTO	Province Ontario	Postal Code M6H 2W6

Number of vehicle parking spaces and description (e.g., indoor/outdoor, location)
NONE

The rental unit is a unit in a condominium.

Yes No

If yes, the tenant agrees to comply with the condominium declaration, by-laws and rules, as provided by the landlord.

3. Contact Information

Address for Giving Notices or Documents to the Landlord

Unit 6	Street Number 167	Street Name APPLEWOOD CRESCENT	PO Box
City/Town CONCORD		Province ONTARIO	Postal Code/ZIP Code L4K 4K7

Both the landlord and tenant agree to receive notices and documents by email, where allowed by the Landlord and Tenant Board's Rules of Practice.

Yes No

If yes, provide email addresses:

LANDLORD: brandon@irasmithinc.com; TENANT(s): elzein.yasmeenah@gmail.com, chloeexavierr@gmail.com, zichang09@gmail.com, mcguiremegan22@gmail.com and elliot.sarah.allison@gmail.com

The landlord is providing phone and/or email contact information for emergencies or day-to-day communications:

Yes No

If yes, provide information:

brandon@irasmithinc.com; (905)738-4167 x113

Note:

See Part B and E in General Information

4. Term of Tenancy Agreement

This tenancy starts on: 2018/08/01
Date (yyyy/mm/dd)

This tenancy agreement is for: (select an option below and fill in details as needed)

a fixed length of time ending on: 2019/04/30
Date (yyyy/mm/dd)

a monthly tenancy

other (such as daily, weekly, please specify): _____

Note:

The tenant does not have to move out at the end of the term. See Parts C and D in General Information.

5. Rent

a) Rent is to be paid on the FIRST (e.g., first, second, last) day of each (select one):

Month

Other (e.g., weekly) _____

b) The tenant will pay the following rent:

Base rent for the rental unit	\$4,600.00
Parking (if applicable)	\$0.00
Other services and utilities (specify if applicable):	

Total Rent (Lawful Rent)	\$4,600.00

This is the lawful rent for the unit, subject to any rent increases allowed under the *Residential Tenancies Act, 2006*. For example, the landlord and tenant may agree to a seasonal rent increase for additional services of air conditioning or a block heater plug-in. This amount does not include any rent discounts (see Section 7 and Part G in General Information).

c) Rent is payable to:

IRA SMITH TRUSTEE & RECEIVER INC. (in its capacity as Receiver of the Real Property of 2546456 Ontario Inc.)

d) Rent will be paid using the following methods:

CHEQUE

Note:

The tenant cannot be required to pay rent by post-dated cheques or automatic payments, but can choose to do so.

e) If the first rental period (e.g., month) is a partial period, the tenant will pay a partial rent of \$ _____ on _____ . This partial rent covers the rental of the unit from _____ to _____ .
 Date (yyyy/mm/dd) Date (yyyy/mm/dd) Date (yyyy/mm/dd)

f) If the tenant's cheque is returned because of non-sufficient funds (NSF), the tenant will have to pay the landlord's administration charge of \$ 20.00 plus any NSF charges made by the landlord's bank.

Note:

The landlord's administration charge for an NSF cheque cannot be more than \$20.00

6. Services and Utilities

The following services are included in the lawful rent for the rental unit, as specified:

- Gas Yes No
- Air conditioning Yes No
- Additional storage space Yes No
- On-Site Laundry Yes No No Charge Pay Per use
- Guest Parking Yes No No Charge Pay Per use
- Other _____ Yes No
- Other _____ Yes No
- Other _____ Yes No

Provide details about services or list any additional services if needed (if necessary add additional pages):

1. TENANTS ARE RESPONSIBLE FOR THE COST OF ALL UTILITIES.
2. WITHOUT LIMITING THE LANDLORD'S OBLIGATIONS AS REQUIRED BY SECTION 13 OF THIS LEASE, ALL APPLIANCES AND MECHANICAL EQUIPMENT ARE PROVIDED IN "AS IS" CONDITION AS OF THE DATE OF THE RECEIVER'S APPOINTMENT, JULY 30, 2018. THE LANDLORD EXPRESSES NO REPRESENTATIONS OR WARRANTIES CONCERNING THE FITNESS OF THE APPLIANCES OR EQUIPMENT.

The following utilities are the responsibility of:

Electricity Landlord Tenant

Heat Landlord Tenant

Water Landlord Tenant

If the tenant is responsible for any utilities, provide details of the arrangement, e.g. tenant sets up account with and pays the utility provider, tenant pays a portion of the utility costs (if necessary add additional pages):

TENANTS ARE SOLELY RESPONSIBLE FOR THE ESTABLISHMENT AND MAINTENANCE OF ALL UTILITY ACCOUNTS. THE TENANTS ARE LIABLE FOR KEEPING UTILITY PAYMENTS IN GOOD STANDING.

Note:

If the tenant will be responsible for paying for electricity measured by a meter or suite meter, the landlord must give the prospective tenant available information about the electricity usage in the rental unit over the last twelve months using the appropriate Landlord and Tenant Board form.

7. Rent Discounts

Select one:

There is no rent discount.

or

The lawful rent will be discounted as follows:

Provide description of rent discount (if necessary add additional pages):

Note:

See Part G in General Information for what types of discounts are allowed.

8. Rent Deposit

Select one:

A rent deposit is not required.

or

The tenant will pay a rent deposit of \$ _____ . This can only be applied to the rent for the last rental period of the tenancy.

Note:

This amount cannot be more than one month's rent or the rent for one rental period (e.g., one week in a weekly tenancy), whichever is less. This cannot be used as a damage deposit. The landlord must pay the tenant interest on the rent deposit every year. See Part H in General Information.

9. Key Deposit

Select one:

A key deposit is not required.

or

The tenant will pay a refundable key deposit of \$ _____ to cover the cost of replacing the keys, remote entry devices or cards if they are not returned to the landlord at the end of the tenancy.

If a refundable key deposit is required, provide description and number of keys, access cards and remote entry devices:

Note:

The key deposit cannot be more than the expected replacement cost. See Part H in General Information.

10. Smoking

Under provincial law, smoking is not allowed in any indoor common areas of the building. The tenant agrees to these additional rules on smoking:

Select one:

None

or

Smoking rules

Provide description of smoking rules (if necessary add additional pages):

Note:

In making and enforcing smoking rules, the landlord must follow the Ontario *Human Rights Code*. See Parts M and S in General Information.

11. Tenant's Insurance

Select one:

There are no tenant insurance requirements.

or

The tenant must have liability insurance at all times. If the landlord asks for proof of coverage, the tenant must provide it. It is up to the tenant to get contents insurance if they want it.

12. Changes to the Rental Unit

The tenant may install decorative items, such as pictures or window coverings. This is subject to any reasonable restrictions set out in the additional terms under Section 15.

The tenant cannot make other changes to the rental unit without the landlord's permission.

13. Maintenance and Repairs

The landlord must keep the rental unit and property in good repair and comply with all health, safety and maintenance standards.

The tenant must repair or pay for any undue damage to the rental unit or property caused by the wilful or negligent conduct of the tenant, the tenant's guest or another person who lives in the rental unit.

The tenant is responsible for ordinary cleanliness of the rental unit, except for any cleaning the landlord agreed to do.

Note:

See Part J in General Information.

14. Assignment and Subletting

The tenant may assign or sublet the rental unit to another person only with the consent of the landlord. The landlord cannot arbitrarily or unreasonably withhold consent to a sublet or potential assignee.

Note:

There are additional rules if the tenant wants to assign or sublet the rental unit. See Part P in General Information.

15. Additional Terms

Landlords and tenants can agree to additional terms. Examples may include terms that:

- Require the landlord to make changes to the unit before the tenant moves in, and
- Provide rules for use of common spaces and/or amenities.

These additional terms should be written in plain language and clearly set out what the landlord or tenant must or must not do to comply with the term. If typed, the additional terms should be in a font size that is at least 10 points.

An additional term cannot take away a right or responsibility under the *Residential Tenancies Act, 2006*.

If a term conflicts with the *Residential Tenancies Act, 2006* or any other terms set out in this form, the term is void (not valid or legally binding) and it cannot be enforced. Some examples of void and unenforceable terms include those that:

- Do not allow pets (however, the landlord can require the tenant to comply with condominium rules, which may prohibit certain pets),
- Do not allow guests, roommates, any additional occupants,
- Require the tenant to pay deposits, fees or penalties that are not permitted under the *Residential Tenancies Act 2006* (e.g., damage or pet deposits, interest on rent arrears), and
- Require the tenant to pay for all or part of the repairs that are the responsibility of the landlord.

See General Information for more details.

The landlord and tenant may want to get legal advice before agreeing to any additional terms.

Select one:

There are no additional terms.

or

This tenancy agreement includes an attachment with additional terms that the landlord and tenant agreed to.

16. Changes to this Agreement

After this agreement is signed, it can be changed only if the landlord and tenant agree to the changes in writing.

Note:

The *Residential Tenancies Act, 2006* allows some rent increases and requires some rent reductions without agreement between the landlord and tenant. See Part I in General Information.

17. Signatures

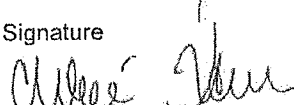
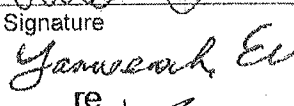

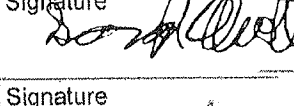
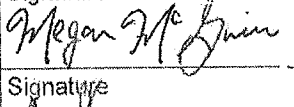
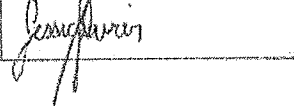
By signing this agreement, the landlord(s) and the tenant(s) agree to follow its terms.

Unless otherwise agreed in the additional terms under Section 15, if there is more than one tenant, each tenant is responsible for all tenant obligations under this agreement, including the full amount of rent.

Landlord(s):

Name	Signature	Date (yyyy/mm/dd)
IRA SMITH TRUSTEE & RECEIVER INC., SOLELY IN ITS CAPACITY AS (CONT'D)		
RECEIVER OF THE REAL PROPERTY OF 2546456 ONTARIO INC.		2018/08/20

Tenant(s):

Name	Signature	Date (yyyy/mm/dd)
CHLOÉ XAVIER		2018/08/09
YASMEENAH ELZEIN		2018/08/09
KEITH ZI-CHANG LIU		2018/08/08
SARAH ELLIOTT		2018/08/08
MEGAN MCGUIRE		2018/08/09
JESSICA XAVIER		2018/08/09

Note:

All of the landlords and tenants listed on the first page in Section 1 (Parties to the Agreement) must sign here. The landlord must give a copy of this agreement to the tenant within 21 days after the tenant signs it.



Appendix: General Information

This Appendix sets out basic information for landlords and tenants. It is not intended as legal advice, and it is not an official interpretation of the *Residential Tenancies Act, 2006* (the Act). Please refer to the Act for the specific rules.

The Landlord and Tenant Board also provides information about landlords' and tenants' rights and responsibilities under the Act.

Landlord and Tenant Board:

Toll free: 1-888-332-3234

Toronto area: 416-645-8080

TTY: Bell Relay Service at 1-800-268-9242

Website: www.sjto.ca/lfb

A. When to Use This Form

This form (standard form of lease) must be used for most residential tenancy agreements (leases).

This form should **not** be used for:

- care homes,
- sites in mobile home parks or land lease communities,
- social and supportive housing that is exempt from the rent increase guideline (see the regulation under the Act for specific exemptions),
- member units in co-operative housing, and
- any other accommodation that is exempt from the Act (see Section 5 of the Act).

B. Change of Landlord

A new landlord has the same rights and duties as the previous landlord. A new landlord must follow all the terms of this agreement unless the tenant and new landlord agree to other terms. A new landlord should provide the tenant with their legal name and address.

C. Renewing a Tenancy Agreement (Part V of the Act)

If the landlord and tenant agree that the tenancy will last for a specific period of time, this is called a fixed term tenancy. This is because both the start and end date are set out in the tenancy agreement.

The end of an agreement does not mean the tenant has to move out or sign a renewal or new agreement in order to stay. The rules of the agreement will still apply and the tenant still has the right to stay:

- as a monthly tenant, if the agreement was for a fixed term or monthly tenancy,
- as a weekly tenant, if the agreement was for a weekly tenancy, or
- as a daily tenant, if the agreement was for a daily tenancy.

The landlord and tenant can also agree to renew the agreement for another fixed term or enter into a new agreement. In any case, changes to the rent must follow the rules under the Act (see Part I below for further information).

D. Ending the Tenancy (Part V of the Act)

The landlord or tenant must follow the rules of the Act when ending a tenancy.

When the tenant can end the tenancy

The tenant may end a tenancy by giving the landlord proper notice using the appropriate Landlord and Tenant Board form. They must give:

- at least 60 days' notice if they have a monthly or fixed term tenancy, or
- at least 28 days' notice if they have a daily or weekly tenancy.

For a fixed term tenancy, the notice cannot be effective before the last day of the fixed term. For a monthly or weekly tenancy, the notice must be effective on the last day of a rental period (e.g. month or week).

In certain situations, a tenant who has experienced sexual or domestic violence can give 28 days' notice to end the tenancy at any time, even if the tenant has a fixed term agreement (e.g., one year agreement). They must use the notice form approved by the Landlord and Tenant Board.

When the landlord can end the tenancy

The landlord cannot evict the tenant unless the landlord follows the proper rules. In most cases, the landlord must give proper notice to end the tenancy using the right form. Forms are available on the Landlord and Tenant Board's website.

The landlord can only give the tenant notice to end the tenancy in certain situations. These situations are set out in the Act. A few examples include:

- tenant does not pay the full rent when it is due,
- tenant causes damage to the rental unit or building, and
- tenant substantially interferes with the reasonable enjoyment of other tenants or the landlord.

If the landlord gives a tenant notice to end the tenancy, the tenant does not have to move out.

If the tenant does not move out, the landlord must apply to the Landlord and Tenant Board in order to evict the tenant. The Landlord and Tenant Board will hold a hearing and decide if the tenancy should end. Both the landlord and the tenant can come to the hearing and explain their side to the Landlord and Tenant Board. If the Landlord and Tenant Board orders an eviction, the eviction order can only be enforced by the Sheriff (Court Enforcement Officer).

It is an offence for the landlord to evict a tenant without following this process. If convicted, the landlord could face a fine of up to \$25,000 (for an individual) or \$100,000 (for a corporation).

If the Landlord and Tenant agree to end the tenancy

The tenant and landlord can agree to end a tenancy at any time by using the proper Landlord and Tenant Board form. Some landlords may ask the tenant to sign this form when signing the agreement. In most cases, an agreement to end a tenancy signed at the beginning of the tenancy agreement is unenforceable and the tenant does not have to move out.

There is more information on how to end a tenancy and reasons for eviction in the Act and in a brochure on the Landlord and Tenant Board website.

E. Giving Notices and Documents (Part XII of the Act)

The landlord and tenant have to deliver some official notices and other documents in writing. These notices and documents can be:

- hand delivered,
- left in a mail box or a place where mail is ordinarily delivered, or
- mailed (this will count as delivered five days after mailing).

There are also other ways to serve notices and documents. For more information, contact the Landlord and Tenant Board or see the Rules of Practice on its website.

F. Rent and Rent Receipts (Part VII of the Act)

Rent is the amount the tenant pays to the landlord to occupy the rental unit and receive services or facilities agreed to in this agreement.

The tenant must pay their rent on time. If they do not, the landlord can give them notice to end the tenancy.

If the tenant asks for a receipt for rent or any payment or deposit, the landlord must give them one for free. This also applies to a former tenant who asks for a receipt within 12 months after the end of their tenancy.

G. Rent Discounts (Part VII of Act)

The landlord can offer the tenant a discount for paying rent on or before the date it is due. This discount can be up to two per cent of the lawful rent.

The landlord can also offer rent-free periods or discounts in one of three ways:

- Rent-free periods of up to three months within any 12-month period,
- A discount of up to one month's rent spread evenly over eight months, or
- A discount of up to two months' rent, with up to one month's rent spread evenly over the first seven months, and up to one month's rent discounted in one of the last five months.

These types of discounts must be agreed to in writing.

H. Deposits (Part VII of the Act)

The landlord can only collect a deposit for the last month's rent and a refundable key deposit. The tenant does not have to provide any other form of deposit, such as pet or damage deposits. If the tenant pays anything more, the tenant can apply to the Landlord and Tenant Board to get the money back.

Rent deposit (i.e. last month's rent): The landlord can require a rent deposit on or before the tenant enters into the tenancy agreement. The landlord must apply this money to the rent for the last period of the tenancy. The rent deposit must not be more than one month's rent or the rent for one rental period (e.g., one week in a weekly tenancy), whichever is less.

The landlord must pay the tenant interest on the rent deposit every year. If the rent increases after the tenant has paid a rent deposit, the landlord can require the tenant to top-up the rent deposit so that it is the same as the new rent. The landlord can use the interest on the rent deposit to top-up the rent deposit.

If the landlord is unable to let the tenant move into the rental unit, the landlord must return the deposit, unless the tenant agrees to rent a different unit.

Key deposit: If the landlord collects a deposit for key(s), remote entry devices or cards, the landlord must return the deposit when the tenant gives back their key(s) at the end of the tenancy.

The landlord can charge the tenant for additional keys that the tenant requests (for example, if the tenant wants an extra key or if the tenant has lost their key), but the charge cannot be more than actual cost of the keys. This is not a key deposit.

I. Rent Increases and Decreases (Part VII of the Act)

Most Ontario tenants are protected by rent controls that limit how much rent can increase year-over-year. The rent payable by tenants may also decrease in limited situations.

Guideline Rent Increases

Normally, the landlord can increase the rent only once every 12 months. The landlord must use the proper Landlord and Tenant Board form and give the tenant at least 90 days' notice before the rent increase is to take effect. The rent can be increased by no more than the rent increase guideline unless the Landlord and Tenant Board approves a rent increase above the guideline. The guideline for each year can be found on the Landlord and Tenant Board's website.

Rent Increases above the Guideline

The landlord can apply to the Landlord and Tenant Board for approval to raise the rent by more than the rent increase guideline. Affected tenants can oppose this application at the Landlord and Tenant Board.

This kind of rent increase is called an above-guideline rent increase. The Landlord and Tenant Board can allow this kind of rent increase if:

- the landlord's municipal taxes and charges have increased significantly,
- the landlord has done major repairs or renovations, or
- the costs of external security services (i.e. not performed by the landlord's employees) have increased, or external security services are being provided for the first time.

The landlord and tenant can also agree to an above-guideline rent increase, if the landlord agrees to renovate or add a new service for the tenant. Certain rules apply.

Rent Reductions:

The landlord **must** reduce the rent if:

- the municipal property tax goes down by more than 2.49 per cent, or
- the rent was increased above the guideline to pay for repairs or renovations and the costs have been fully paid for (this only applies to tenants who were living in the unit when the above guideline rent increase happened).

The tenant can apply to the Landlord and Tenant Board to reduce their rent if:

- municipal property taxes or charges on the rental property go down,
- the landlord reduced or removed a service without reducing the rent, or
- the landlord did not keep a promise they made in an agreement for a rent increase above the guideline.

J. Maintenance and Repairs (Part III, IV, V and XIV of the Act)

The landlord must keep the rental unit and property in good repair and comply with all health, safety and maintenance standards. This includes the maintenance and repair of things that came with the unit, such as appliances, and of common areas, such as parking lots, elevators, and hallways.

The tenant must pay their rent, even if they have problems with the maintenance and repair of their unit or property. If the tenant is having a maintenance or repair problem, the tenant should let the landlord know. If needed, the tenant can apply to the Landlord and Tenant Board.

The tenant is responsible for any damage to the rental property caused by the tenant, the tenant's guest or another person who lives in the rental unit. This applies to any damage caused on purpose or by not being careful enough. This does not include damage that results from normal use of the rental unit over time ("wear and tear"). The landlord can apply to the Landlord and Tenant Board if the tenant has not repaired such damage.

The tenant is responsible for ordinary cleanliness of the rental unit, except for any cleaning the landlord agreed to do.

K. Vital Services (Part I and III of the Act)

"Vital services" include hot or cold water, fuel, electricity, gas and heat.

The landlord must ensure that a rental unit has heating equipment capable of maintaining a minimum temperature of 20° Celsius from September 1 to June 15. Some municipal by-laws may have stricter requirements.

The landlord cannot withhold or shut off the reasonable supply of a vital service, care service or food that the landlord must supply under the tenancy agreement. If a vital service is cut-off because the landlord failed to pay their bill, the landlord is considered to have withheld that service. However, if a vital service is cut-off or disconnected because the tenant failed to pay their own utility bill, the tenant cannot claim that the landlord withheld a vital service.

The landlord cannot deliberately interfere with the reasonable supply of any vital service, care service or food, whether or not the landlord is obligated to supply it under the tenancy agreement.

L. Harassment (Part III and IV of the Act)

It is against the law for the landlord (or anyone acting for the landlord, such as a superintendent or property manager) to harass the tenant, or for the tenant to harass the landlord. If the landlord or the tenant is experiencing harassment they can apply to the Landlord and Tenant Board.

M. Discrimination

If the landlord (or anyone acting for the landlord) discriminates against the tenant based on prohibited grounds of discrimination under the Ontario *Human Rights Code* (the *Code*), they may be violating the tenant's rights under the *Code*. The Landlord and Tenant Board may be able to consider discrimination if it relates to an application under the *Residential Tenancies Act, 2006*. In other situations, the tenant may have to take their case to the Human Rights Tribunal of Ontario.

N. Landlord's Entry into Rental Unit (Part III of the Act)

The tenant is entitled to reasonable enjoyment of the rental unit (e.g. quiet enjoyment, reasonable privacy, freedom from unreasonable disturbance and exclusive use of the rental unit).

The landlord can enter the rental unit with 24 hours' written notice only for the following reasons:

- make repairs,
- inspect the unit to see if repairs are needed, if the inspection is reasonable,
- show the rental unit to a possible buyer, insurer or mortgage lender,
- let a real estate agent show the unit to a possible buyer,
- have a property inspection done before converting the residential building into a condominium, or
- for any reasonable purpose listed in the tenancy agreement.

The written notice must include the reason for the entry and state the date and time (between 8 a.m. and 8 p.m.) that the landlord will enter the unit. With proper notice, the landlord can enter the unit when the tenant is not at home.

The landlord does not need to give a notice to enter:

- in case of emergency,
- if the tenant consents to entry,
- if the tenancy agreement requires the landlord to clean the unit, or
- if the tenancy is coming to an end and the landlord wants to show the unit to a potential new tenant – the landlord can only show the unit between 8:00 a.m. and 8:00 p.m. and must make a reasonable effort to let the tenant know when this will happen.

O. Locks (Part III and IV of the Act)

The landlord cannot change the locks of the rental unit unless the landlord gives the new keys to the tenant. The tenant cannot change the locks of the rental unit without the consent of the landlord.

P. Assign or Sublet (Part VI of the Act)

The tenant may assign or sublet the rental unit to another person only with the consent of the landlord. The landlord cannot arbitrarily or unreasonably withhold consent to a potential assignee or sublet of the rental unit.

1. **Assignment:** In an **assignment**, the tenant transfers their right to occupy the rental unit to someone else. The new person takes the place of the tenant, and the tenancy agreement stays the same.
2. **Sublet:** A **sublet** occurs when the tenant moves out of the rental unit, lets another person (the 'sub-tenant') live there until a specified date, and can return to live in the unit before the tenancy ends. The tenancy agreement and the landlord-tenant relationship do not change.

A tenant who sublets a rental unit cannot:

- charge a higher rent than the landlord does for the rental unit,
- collect any additional fees for subletting the rental unit, or
- charge the sub-tenant for additional goods or services.

Q. Guests (Part III of the Act)

The landlord cannot stop tenants from having guests, require the tenant to notify the landlord or get the landlord's permission before having guests. The landlord cannot charge extra fees or raise the rent due to guests in the rental unit. However, the tenant is responsible for the behaviour of their guests.

The landlord cannot prevent the tenant from having a roommate, as long as municipal by-laws on occupancy standards are respected.

R. Pets (Part III of the Act)

A tenancy agreement cannot prohibit animals in the rental unit or in or around the residential building.

There are some cases where the landlord can apply to the Landlord and Tenant Board to evict a tenant who has a pet. These are some common examples:

- the pet makes too much noise, damages the unit or causes other tenants to have allergic reactions,
- the breed or species is inherently dangerous, or
- the rules of the condominium corporation do not allow pets.

S. Smoking (Part V of the Act)

The Act does not discuss smoking in a rental unit. The landlord and tenant can use Section 10 of this lease to agree to either allow or prohibit smoking in the unit, and/or on the landlord's property.

Even if the lease doesn't prohibit smoking, the landlord may apply to the Landlord and Tenant Board to end the tenancy if the smoking:

- substantially interferes with reasonable enjoyment of the landlord or other tenants,
- causes undue damage,
- impairs safety, or
- substantially interferes with another lawful right, privilege or interest of the landlord.

If the tenant believes that other people smoking in their building affects their health or safety, contravenes maintenance standards, or substantially interferes with their reasonable enjoyment of the rental unit, they should discuss it with their landlord before contacting the Landlord and Tenant Board.

T. Smoke and Carbon Monoxide Alarms

The landlord must provide the rental unit with working smoke alarms and, where applicable, carbon monoxide alarms. The landlord is responsible for keeping smoke and carbon monoxide alarms in working condition, which includes replacing the batteries. The tenant must not disconnect or tamper with any smoke or carbon monoxide alarm and must notify the landlord immediately of any alarms not working properly.

U. Resolving Disputes

The landlord and tenant are required to follow the law. If they have problems or disagreements, the landlord and tenant should first discuss the issue and attempt to resolve it themselves. If the landlord or tenant feels that the other is not obeying the law, they may contact the Landlord and Tenant Board for information about their rights and responsibilities, including whether they may apply to the Landlord and Tenant Board to resolve the dispute.

SCHEDULE "A" - RULES AND REGULATIONS

The Tenant further covenants as follows:

- i. To return all keys to the Leased Premises prior to the termination of this Tenancy Agreement.
- ii. To obtain the approval of the Landlord of the colours and material to be used in the painting or redecorating of the Leased Premises.
- iii. All shades or other window coverings shall be white or off-white when visible from the outside and all draperies shall be lined in white or off-white to present a uniform appearance to the exterior of the building.
- iv. Not to cause or permit any noise which unreasonably interferes with the use and enjoyment of other tenant's Leased Premises in the residential complex.
- v. That the sidewalks, entry, passageways, and stairways used in common will not be obstructed or used by the Tenant for any other purpose than proper access to and from the Leased Premises.
- vi. Bicycles shall not be admitted or carried into the Leased Premises or common areas of the complex, unless such is permitted by the Governing Documents.
- vii. To remove household furniture and effects from the Leased Premises only at the time, in the manner and by use of the elevators designated by the Landlord in accordance with the consent by the Landlord or building management in writing.
- viii. The floors, skylights and windows that reflect or admit light into passageways or into any place in the building shall not be covered or obstructed by any Tenant and no awning shall be put up over any window without the sanction of the Landlord. The water closets and other water apparatus shall not be used for any purpose other than those for which they were constructed and no sweeping, garbage, rubbish, rags, ashes or other substances shall be thrown therein. Any damage resulting to them from misuse or from unusual or unreasonable use shall be borne by the Tenant whether caused by the Tenant or by its invitees.
- ix. No sign advertisement or notice shall be inscribed, painted or affixed on any part of the outside of the building whatever, or inside of the building.
- x. No awnings or shades shall be installed outside the windows and no material stored on any balconies.
- xi. All Tenants must observe strict care not to allow their windows to remain open so as to admit rain or snow. For any injury caused to the property of other tenants or to the property of the Landlord by such carelessness the Tenants neglecting the rule will be held responsible.

- xii. No additional locks shall be placed upon any door of the Leased Premises.
- xiii. No Tenant shall do or permit anything to be done in said Leased Premises or bring or keep anything therein which will in any way increase the risk of fire or annoy them, or conflict with the laws relating to fires or with the regulations of the Fire Department or with any insurance policy upon the building or any part thereof, or conflict with any of the rules and ordinances of the Board of Health or with any statute of municipal By-law.
- xiv. Nothing shall be placed on the outside of window sills or projections.
- xv. The water shall not be left running unless in actual use in the Leased Premises; spikes, hooks, or nails shall not be put into the walls or woodwork of the Leased Premises; including doors and cupboards.
- xvi. All garbage is to be tightly wrapped and placed in the garbage chute on the floor of the building in which the Leased Premises is located. No garbage shall be left in such garbage room and the Tenant shall be responsible to dispose of any oversized garbage.
- xvii. Tenants, their families, guests, visitors, and servants shall not make or permit any improper noise in the building or do anything that will annoy or disturb or interfere in any way with other tenants or those having business with them.
- xviii. The Tenant shall only make connections to existing cable, electrical and phone outlets and receptacles, and no new service outlets and/or receptacles shall be installed.
- xix. No stores of any combustible or offensive goods, provisions or material shall be kept upon the Leased Premises.
- xx. It is understood and agreed between the Landlord and the Tenant that no assent or consent to change in or waiver of any part of this agreement in spirit or letter shall be deemed or take as made, unless the same has been done in writing and attached to or endorsed herein by the Landlord or its duly authorized representative.
- xxi. Hardwood floors must be kept clean, waxed and polished at the expense of the Tenant at all times. Any damage exceeding normal wear and tear of the hardwood floors must be repaired/replaced forthwith and will be at the sole expense of the Tenant.

- xxii. No heavy furniture shall be moved over floors, halls, landings, or stairs, so as to mark the same.
- xxiii. The Tenant will be held responsible for any damage to the building caused by moving furniture in or out of said Leased Premises.

xxiv. The Leased Premises including all appliances and items included in the lease must be left clean and in good condition at expiration of the Term.

xxv. In the event of contagious or infectious diseases developing, the Tenant agrees to have patient or patients removed forthwith and to have the suite fumigated or treated immediately in accordance with any by-law and regulations in force relating to any such disease.

xxvi. The Landlord shall have the right to make such other and further reasonable rules and regulations as in his

TENANT INITIALS

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LANDLORD INITIALS

18 Smith Trustees & Receiver Inc.
167 Applewood Crescent, Suite 6
6044 RUSTLE
TR INC.

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- ii. To obtain the approval of the Landlord of the colours and material to be used in the painting or redecorating of the Leased Premises.
- iii. All shades or other window coverings shall be white or off-white when visible from the outside and all draperies shall be lined in white or off-white to present a uniform appearance to the exterior of the building.
- iv. Not to cause or permit any noise which unreasonably interferes with the use and enjoyment of other tenant's Leased Premises in the residential complex.
- v. That the sidewalks, entry, passageways, and stairways used in common will not be obstructed or used by the Tenant for any other purpose than proper access to and from the Leased Premises.
- vi. Bicycles shall not be admitted or carried into the Leased Premises or common areas of the complex, unless such is permitted by the Governing Documents.
- vii. To remove household furniture and effects from the Leased Premises only at the time, in the manner and by use of the elevators designated by the Landlord in accordance with the consent by the Landlord or building management in writing.
- viii. The floors, skylights and windows that reflect or admit light into passageways or into any place in the building shall not be covered or obstructed by any Tenant and no awning shall be put up over any window without the sanction of the Landlord. The water closets and other water apparatus shall not be used for any purpose other than those for which they were constructed and no sweeping, garbage, rubbish, rags, ashes or other substances shall be thrown therein. Any damage resulting to them from misuse or from unusual or unreasonable use shall be borne by the Tenant whether caused by the Tenant or by its invitees.
- ix. No sign advertisement or notice shall be inscribed, painted or affixed on any part of the outside of the building whatever, or inside of the building.
- x. No awnings or shades shall be installed outside the windows and no material stored on any balconies.
- xi. All Tenants must observe strict care not to allow their windows to remain open so as to admit rain or snow. For any injury caused to the property of other tenants or to the property of the Landlord by such carelessness the Tenants neglecting the rule will be held responsible.
- xii. No additional locks shall be placed upon any door of the Leased Premises.
- xiii. No Tenant shall do or permit anything to be done in said Leased Premises or bring or keep anything therein which will in any way increase the risk of fire or annoy them, or conflict with the laws relating to fires or with the regulations of the Fire Department or with any insurance policy upon the building or any part thereof, or conflict with any of the rules and ordinances of the Board of Health or with any statute of municipal By-law.
- xiv. Nothing shall be placed on the outside of window sills or projections.
- xv. The water shall not be left running unless in actual use in the Leased Premises; spikes, hooks, or nails shall not be put into the walls or woodwork of the Leased Premises; including doors and cupboards.
- xvi. All garbage is to be tightly wrapped and placed in the garbage chute on the floor of the building in which the Leased Premises is located. No garbage shall be left in such garbage room and the Tenant shall be responsible to dispose of any oversized garbage.
- xvii. Tenants, their families, guests, visitors, and servants shall not make or permit any improper noise in the building or do anything that will annoy or disturb or interfere in any way with other tenants or those having business with them.
- xviii. The Tenant shall only make connections to existing cable, electrical and phone outlets and receptacles, and no new service outlets and/or receptacles shall be installed.
- xix. No stores of any combustible or offensive goods, provisions or material shall be kept upon the Leased Premises.
- xx. It is understood and agreed between the Landlord and the Tenant that no assent or consent to change in or waiver of any part of this agreement in spirit or letter shall be deemed or take as made, unless the same has been done in writing and attached to or endorsed herein by the Landlord or its duly authorized representative.
- xxi. Hardwood floors must be kept clean, waxed and polished at the expense of the Tenant at all times. Any damage exceeding normal wear and tear of the hardwood floors must be repaired/replaced forthwith and will be at the sole expense of the Tenant.
- xxii. No heavy furniture shall be moved over floors, halls, landings, or stairs, so as to mark the same.
- xxiii. The Tenant will be held responsible for any damage to the building caused by moving furniture in or out of said Leased Premises.
- xxiv. The Leased Premises including all appliances and items included in the lease must be left clean and in good condition at expiration of the Term.
- xxv. In the event of contagious or infectious diseases developing, the Tenant agrees to have patient or patients removed forthwith and to have the suite fumigated or treated immediately in accordance with any by-law and regulations in force relating to any such disease.

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such is permitted by the Governing Documents.

vii. To remove household furniture and effects from the Leased Premises only at the time, in the manner and by use of the elevators designated by the Landlord in accordance with the consent by the Landlord or building management in writing.

viii. The floors, skylights and windows that reflect or admit light into passageways or into any place in the building shall not be covered or obstructed by any Tenant and no awning shall be put up over any window without the sanction of the Landlord. The water closets and other water apparatus shall not be used for any purpose other than those for which they were constructed and no sweeping, garbage, rubbish, rags, ashes or other substances shall be thrown therein. Any damage resulting to them from misuse or from unusual or unreasonable use shall be borne by the Tenant whether caused by the Tenant or by its invitees.

ix. No sign advertisement or notice shall be inscribed, painted or affixed on any part of the outside of the building whatever, or inside of the building.

x. No awnings or shades shall be installed outside the windows and no material stored on any balconies.

xi. All Tenants must observe strict care not to allow their windows to remain open so as to admit rain or snow. For any injury caused to the property of other tenants or to the property of the Landlord by such carelessness the Tenants neglecting the rule will be held responsible.

xii. No additional locks shall be placed upon any door of the Leased Premises.

xiii. No Tenant shall do or permit anything to be done in said Leased Premises or bring or keep anything therein which will in any way increase the risk of fire or annoy them, or conflict with the laws relating to fires or with the regulations of the Fire Department or with any insurance policy upon the building or any part thereof, or conflict with any of the rules and ordinances of the Board of Health or with any statute of municipal By-law.

xiv. Nothing shall be placed on the outside of window sills or projections.

xv. The water shall not be left running unless in actual use in the Leased Premises; spikes, hooks, or nails shall not be put into the walls or woodwork of the Leased Premises; including doors and cupboards.

xvi. All garbage is to be tightly wrapped and placed in the garbage chute on the floor of the building in which the Leased Premises is located. No garbage shall be left in such garbage room and the Tenant shall be responsible to dispose of any overfilled garbage.

xvii. Tenants, their families, guests, visitors, and servants shall not make or permit any improper noise in the building or do anything that will annoy or disturb or interfere in any way with other tenants or those having business with them.

xviii. The Tenant shall only make connections to existing cable, electrical and phone outlets and receptacles, and no new service outlets and/or receptacles shall be installed.

xix. No stores of any combustible or offensive goods, provisions or material shall be kept upon the Leased Premises.

xx. It is understood and agreed between the Landlord and the Tenant that no assent or consent to change in or waiver of any part of this agreement in spirit or letter shall be deemed or take as made, unless the same has been done in writing and attached to or endorsed herein by the Landlord or its duly authorized representative.

xxi. Hardwood floors must be kept clean, waxed and polished at the expense of the Tenant at all times. Any damage exceeding normal wear and tear of the hardwood floors must be repaired/replaced forthwith and will be at the sole expense of the Tenant.

xxii. No heavy furniture shall be moved over floors, halls, landings, or stairs, so as to mark the same.

xxiii. The Tenant will be held responsible for any damage to the building caused by moving furniture in or out of said Leased Premises.

xxiv. The Leased Premises including all appliances and items included in the lease must be left clean and in good condition at expiration of the Term.

xxv. In the event of contagious or infectious diseases developing, the Tenant agrees to have patient or patients removed forthwith and to have the suite fumigated or treated immediately in accordance with any by-law and regulations in force relating to any such disease.

xxvi. The Landlord shall have the right to make such other and further reasonable rules and regulations as in his judgment may from time to time be needful for the safety, care and cleanliness, of the Leased Premises and for preservation of good order therein and the same shall be kept and observed by the Tenants, their families, visitors, maids, clerks, servants, agents and any other third party.

TENANT INITIALS

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LANDLORD INITIALS

IRA SMITH TRUSTEE & RECEIVER INC.

Per:

[Signature]

Brandon Smith

From: Ira Smith
Sent: Wednesday, August 08, 2018 12:29 PM
To: 'Payam Katebian'; Ben Katebian; 'ggruneir@rescomcapital.com'
Cc: Brandon Smith
Subject: 558 Dovercourt Road

As you know, by Order of the Honourable Mr. Justice Dunphy dated July 30, 2018, Ira Smith Trustee & Receiver Inc. is the Court-appointed Receiver of the real property of 256456 Ontario Inc. municipally described as 558 Dovercourt Road, Toronto.

As our appointment is just over 1 week old, we wished to bring the first and second mortgagee up to date as to what has transpired so far. Below is a listing of major activities since our appointment.

1. Appointed July 30, 2018.
2. Obtained available books and records.
3. Reviewed bank statements and other available records to understand tenancies and currency of rent payments.
4. Took possession of the property including having a copy of the Appointment Order registered on title,
5. Put all tenants on written notice July 31, 2018 to stop any PAD or post-dated cheque rent payments and provide August rent with postdated cheques directly and only to Receiver.
6. Front residential tenant provided August rent payment and a series of PD cheques to Receiver. Front tenant wishes to remain at the same rent and insists upon a new lease ending April 30, 2019. Existing lease expired July 31, 2018.
7. Rear residential tenant advised that August rent already paid. We asked for and obtained proof of all rent payments and confirmed that August rent was paid prior to our appointment. Rear tenant advised that her tenancy expires the end of August and she intends to overhold on a month to month basis.
8. We referred the tenant to our written notice that we require a copy of her lease and a series of postdated rent cheques dated the first of every month beginning with September rent. We are awaiting receipt and will follow up with the tenant if not received shortly.
9. We have put the storage tenant on written notice of our appointment and that all rent payment must be paid only to the Receiver. The tenant representative has advised that the rent is paid on the 15th of each month and undertook to provide the Receiver with a copy of the lease and a series of postdated cheques. We are awaiting receipt and will follow up with the tenant if not received shortly.
10. We retained an appraiser who toured the property on August 2. We anticipate receipt of the written appraisal on August 10 or thereabouts.
11. Upon receipt of the written appraisal, we will then sign the listing agreement for the sale of the property on the MLS.
12. According to a Toronto property tax statement dated July 10, 2018 provided to us recently by one of the tenants, the City is claiming as of July 10:
 - a. Overdue 2018 property taxes - \$3,342.90
 - b. August 1 and September 4, 2018 property tax instalments - \$2,732.00 (total of 2 instalments)
 - c. Overdue Toronto water & solid waste management charges to be transferred to the property tax account, with a fee of \$38.46 if not paid by August 24 - \$581.65

We will advise once the property is listed on the MLS.

Best regards.



IRA SMITH MBA CPA CA CIRP LIT
President

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Check out our weekly blog - <http://www.irasmithinc.com/blog/>



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Exhibit "J"

Court File No. CV-18-00608086-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 6TH
JUSTICE HAINES) DAY OF NOVEMBER, 2018

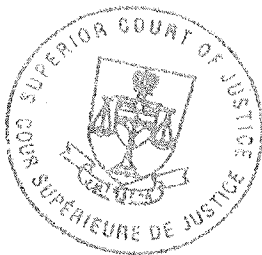
ONTARIO SECURITIES COMMISSION

Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent



APPLICATION UNDER
Sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Ontario Securities Commission (the "Commission") for an Order pursuant to section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Securities Act*") appointing Grant Thornton Limited ("GTL") as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Money Gate Mortgage Investment Corporation (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Louisa Fiorini sworn November 1, 2018 and the Exhibits thereto and on hearing the submissions of counsel for the Commission and counsel for the Debtor, and on reading the consent of GTL to act as the Receiver,

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SERVICE

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

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 129 of the *Securities Act*, GTL is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**"), which for greater certainty includes any and all real property charges in favour of the Debtor (the "**Real Property Charges**"), and any and all monies held by any Persons for interest reserves or prepaid interest in connection with the Real Property Charges.

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary

- 3 -

course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor, including, without limitation, the Lender Servicing Agreement dated August 16, 2014 between the Debtor and Money Gate Corp. (the “**Lender Servicing Agreement**”);

- (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, including without limitation, the Real Property Charges;
- (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 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;

- 4 -

- (j) 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;
 - (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
 - (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
 - (n) without limiting the generality of clause 3(m) above, to share information (including personal information of identifiable individuals), meet with and discuss with any regulatory bodies and their advisors, including without limitation the Commission and any other regulatory authorities as the Receiver deems appropriate, on all matters relating to the Property, the

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affairs of the Debtor, and the receivership of the Debtor, subject to such terms as to confidentiality as the Receiver deems advisable.

- (o) To administer the Real Property Charges notwithstanding the Lender Servicing Agreement;
- (p) To register a copy of this Order and any other Orders in respect of the Property against title to any of the Property and to discharge any Order registered by the Receiver in respect of the Property against title to any of the Property;
- (q) 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;
- (r) 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;
- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (t) to examine under oath any person the Receiver reasonably considers to have knowledge of the Property and affairs of the Debtor, including, without limitation, any present or former director, officer, employee or person registered or previously registered with the Commission or Financial Services Commission of Ontario ("FSCO") or subject to or formerly subject to the jurisdiction of the Commission, FSCO or any other regulatory body, respecting the Property and the affairs of the Debtor;
- (u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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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.

4. ~~THIS COURT ORDERS that the Receiver may engage as its legal counsel Chaitons LLP, notwithstanding that Chaitons LLP has had an advisory role for the Commission in connection with this proceeding.~~



DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. **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.

6. **THIS COURT ORDERS** that, pursuant to and without limiting the generality of paragraph 5 of this Order, all Persons shall, unless otherwise instructed by the Receiver: (i) deliver to the Receiver all monies held in trust for or on behalf of any of the Debtor or in relation to its business (collectively, the "Trust Funds"), which for greater certainty include any and all monies that are purported to be held in trust for pooled or syndicated mortgage investors in or beneficiaries under any of the Real Property Charges, including, without limitation, all monies held by way of interest reserves or prepaid interest in connection with the Real Property Charges, which Trust Funds are to be held or used by the Receiver in accordance with the terms of this Order and any further Order of this Court; and (ii) upon the Receiver's request, to provide an accounting of all funds received from or on behalf of the Debtor or its associated businesses.

7. **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

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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 7 or in paragraph 8 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. For greater certainty, law firm trust ledgers requested by the Receiver pursuant to this Order are not subject to solicitor-client privilege and shall be produced to the Receiver.

8. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the 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.

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NO PROCEEDINGS AGAINST THE RECEIVER

9. **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

10. **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, provided that nothing herein shall prevent the commencement or continuation of any investigation or proceedings against the Debtor by or before any regulatory body including, without limitation, the Commission or the Enforcement Staff of the Commission.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **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 this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and further provided 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

12. **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.

- 9 -

CONTINUATION OF SERVICES

13. **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

14. **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

15. **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

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respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. **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

17. **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

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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

18. **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. 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

19. **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.

20. **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.

21. **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.

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FUNDING OF THE RECEIVERSHIP

22. **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 \$200,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.

23. **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.

24. **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.

25. **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.

FREEZE DIRECTION

26. **THIS COURT ORDERS** that all institutions holding funds on deposit to the credit of the Debtor which are subject to the Freeze Direction issued by the Commission with respect to the Debtor on October 29, 2018 are directed to pay all such funds to the Receiver or as the Receiver may otherwise direct in writing. Upon receipt of the funds, the Freeze Direction shall

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be vacated pursuant to section 126(1.1) of the *Securities Act* without the need to take any further steps.

SERVICE AND NOTICE

27. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 of the Rules of Civil Procedure (the "Rules") this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.granthornton.ca/moneygate.

28. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

29. **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.

30. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor or as an officer of the Court in any other capacity.

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31. **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.

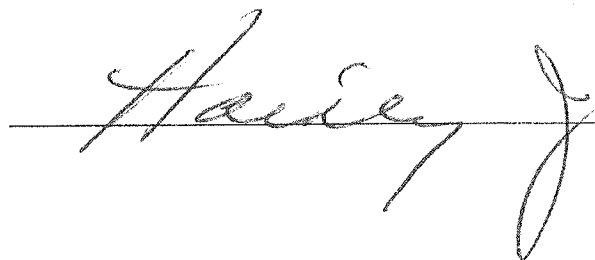
32. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is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

33. **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.

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

NOV 06 2018

PER / PAR:

A handwritten signature in cursive script, appearing to read "Harvey J.", is written over a horizontal line. The signature is positioned to the right of the registration stamp.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number ___-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the _____ day of _____, 20__.

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

Per: _____

Name:

Title:

ONTARIO SECURITIES COMMISSION
Applicant

- AND -

MONEY GATE MORTGAGE
INVESTMENT CORPORATION
Respondent
Court File No. CV-18-00608086-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ORDER
(Application under Sections 126 and 129 of
the *Securities Act*)

Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, ON M5H 3S8

Jamie Gibson (LSO 628580)
Tel: 416-263-3783

Dihim Emami (LSO 57402S)
Tel: 416-596-4253
Fax: 416-593-2319

Counsel for the Ontario Securities
Commission

10:00 A.M

COUNSEL SLIP

H

COURT FILE NO C.V-18-608086-00CL DATE Nov 6, 2018

NO ON LIST 7

TITLE OF PROCEEDING

ONTARIO SECURITIES COMMISSION
✓ MONEYGATE MORTGAGE INVESTMENT CORP.

COUNSEL FOR:
PLAINTIFF(S)
APPLICANT(S)
PETITIONER(S)

PHONE & FAX NOS

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RESPONDENT(S)

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RDAS@BYCLAW.COM
K. Richard Groia & Co. P.C.
T 416-203-9485
F 416-203-9231
Krichard@groiacow
for P. Kertebian
& M. Kertebian
→ DAS, R. 416-364-4900
416-364-4900 (T)

November 6, 2018

I am satisfied that this application should be granted and that Grant Thornton Limited should be ^{appointed} as receiver manager on the terms of the attached order.

The OSC may apply for the appointment of counsel to the Receiver on notice to the parties represented here today at a 9:30 AM attendance before me.

Hainey Jr

Exhibit = J¹¹⁵

DocuSign Envelope ID: D0B164D9-BDDC-4B40-96AE-44D67C912A6B

OREA Ontario Real Estate Association
Form 200
for use in the Province of Ontario

Listing Agreement
Seller Representation Agreement
Authority to Offer for Sale

Toronto Real Estate Board

This is a Multiple Listing Service® Agreement OR Exclusive Listing Agreement EXCLUSIVE
(Seller's Initials) (Seller's Initials)

BETWEEN:

BROKERAGE: TESA REAL ESTATE INC.

15150 YONGE ST UNIT 1 AURORA (the "Listing Brokerage") Tel.No. (905) 503-8372

SELLER(S): Ira Smith Trustee & Receiver Inc., Court appointed Receiver of 2546456 Ontario Inc. (the "Seller")

In consideration of the Listing Brokerage listing the real property for sale known as 558 Dovercourt Rd. Toronto

the Seller hereby gives the Listing Brokerage the exclusive and irrevocable right to act as the Seller's agent, commencing at 12:01 a.m. on the 9th day of August, 2018, until 11:59 p.m. on the 30 day of November, 2018 (the "Listing Period").

{ Seller acknowledges that the length of the Listing Period is negotiable between the Seller and the Listing Brokerage and, if an MLS® listing, may be subject to minimum requirements of the real estate board, however, in accordance with the Real Estate and Business Brokers Act (2002), if the Listing Period exceeds six months, the Listing Brokerage must obtain the Seller's initials. }

to offer the Property for sale at a price of: Dollars (CDN\$) 2,588,888.00

Two Million Five Hundred Eighty-Eight Thousand Eight Hundred Eighty-Eight Dollars

and upon the terms particularly set out herein, or at such other price and/or terms acceptable to the Seller. It is understood that the price and/or terms set out herein are at the Seller's personal request, after full discussion with the Listing Brokerage's representative regarding potential market value of the Property.

The Seller hereby represents and warrants that the Seller is not a party to any other listing agreement for the Property or agreement to pay commission to any other real estate brokerage for the sale of the Property.

1. DEFINITIONS AND INTERPRETATIONS: For the purposes of this Agreement ("Authority" or "Agreement"): "Seller" includes vendor, a "buyer" includes a purchaser, or a prospective purchaser. A "real estate board" includes a real estate association. A purchase shall be deemed to include the entering into of any agreement to exchange, or the obtaining of an option to purchase which is subsequently exercised. Commission shall be deemed to include other remuneration. This Agreement shall be read with all changes of gender or number required by the context. For purposes of this Agreement, anyone introduced to or shown the Property shall be deemed to include any spouse, heirs, executors, administrators, successors, assigns, related corporations and affiliated corporations. Related corporations or affiliated corporations shall include any corporation where one half or a majority of the shareholders, directors or officers of the related or affiliated corporation are the same person(s) as the shareholders, directors, or officers of the corporation introduced to or shown the Property.

2. COMMISSION: In consideration of the Listing Brokerage listing the Property, the Seller agrees to pay the Listing Brokerage a commission of 5% of the sale price of the Property or 4% if TESA Real Estate Inc. is also Representing The buyer for any valid offer to purchase the Property from any source whatsoever obtained during the Listing Period and on the terms and conditions set out in this Agreement OR such other terms and conditions as the Seller may accept. The Seller authorizes the Listing Brokerage to co-operate with any other registered real estate brokerage (co-operating brokerage) and to offer to pay the co-operating brokerage a commission of 2.5% of the sale price of the Property or out of the commission the Seller pays the Listing Brokerage. The Seller further agrees to pay such commission as calculated above if an agreement to purchase is agreed to or accepted by the Seller or anyone on the Seller's behalf within 60 days after the expiration of the Listing Period (Holdover Period), so long as such agreement is with anyone who was introduced to the Property from any source whatsoever during the Listing Period or shown the Property during the Listing Period. If, however, the offer for the purchase of the Property is pursuant to a new agreement in writing to pay commission to another registered real estate brokerage, the Seller's liability for commission shall be reduced by the amount paid by the Seller under the new agreement.

~~The Seller further agrees to pay such commission as calculated above even if the transaction contemplated by an agreement to purchase agreed to or accepted by the Seller or anyone on the Seller's behalf is not completed, if such non-completion is owing or attributable to the Seller's default or neglect, said commission to be payable on the date set for completion of the purchase of the Property.~~

Any deposit in respect of any agreement where the transaction has been completed shall first be applied to reduce the commission payable. Should such amounts paid to the Listing Brokerage from the deposit or by the Seller's solicitor not be sufficient, the Seller shall be liable to pay to the Listing Brokerage on demand, any deficiency in commission and taxes owing on such commission.

All amounts set out as commission are to be paid plus applicable taxes on such commission.

INITIALS OF LISTING BROKERAGE:

INITIALS OF SELLER(S):

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DocuSign Envelope ID: DOB164D9-BDDC-4B40-96AE-44D67C912A6B

the Seller's personal information as is consistent with listing and marketing of the Property. The Seller consents, if this is an MLS® Listing, to placement of the listing information and sales information by the Brokerage into the database(s) of the MLS® System of the appropriate Board, and to the posting of any documents and other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) provided by or on behalf of the Seller into the database(s) of the MLS® System of the appropriate Board. The Seller hereby indemnifies and saves harmless the Brokerage and/or any of its employees, servants, brokers or sales representatives from any and all claims, liabilities, suits, actions, losses, costs and legal fees caused by, or arising out of, or resulting from the posting of any documents or other information (including, without limitation, photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions) as aforesaid. The Seller acknowledges that the database, within the board's MLS® System is the property of the real estate board(s) and can be licensed, resold, or otherwise dealt with by the board(s). The Seller further acknowledges that the real estate board(s) may, during the term of the listing and thereafter, distribute the information in the database, within the board's MLS® System to any persons authorized to use such service which may include other brokerages, government departments, appraisers, municipal organizations and others; market the Property, at its option, in any medium, including electronic media; during the term of the listing and thereafter, compile, retain and publish any statistics including historical data within the board's MLS® System and retain, reproduce and display photographs, images, graphics, audio and video recordings, virtual tours, drawings, floor plans, architectural designs, artistic renderings, surveys and listing descriptions which may be used by board members to conduct comparative analyses; and make such other use of the information as the Brokerage and/or real estate board(s) deem appropriate, in connection with the listing, marketing and selling of real estate during the term of the listing and thereafter. The Seller acknowledges that the information, personal or otherwise ("information"), provided to the real estate board or association may be stored on databases located outside of Canada, in which case the information would be subject to the laws of the jurisdiction in which the information is located.

In the event that this Agreement expires or is cancelled or otherwise terminated and the Property is not sold, the Seller, by initialling: Does Does Not consent to allow other real estate board members to contact the Seller after expiration or other termination of this Agreement to discuss listing or otherwise marketing the Property.

- 12. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms of this Agreement.
13. CONFLICT OR DISCREPANCY: If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement, including any Schedule attached hereto, shall constitute the entire Agreement between the Seller and the Listing Brokerage. There is no representation, warranty, collateral agreement or condition which affects this Agreement other than as expressed herein.
14. ELECTRONIC COMMUNICATION: This Agreement and any agreements, notices or other communications contemplated thereby may be transmitted by means of electronic systems, in which case signatures shall be deemed to be original. The transmission of this Agreement by the Seller by electronic means shall be deemed to confirm the Seller has retained a true copy of the Agreement.
15. ELECTRONIC SIGNATURES: If this Agreement has been signed with an electronic signature the parties hereto consent and agree to the use of such electronic signature with respect to this Agreement pursuant to the Electronic Commerce Act 2000, S.O. 2000, c17 as amended from time to time.
16. SCHEDULE(S): and data form attached hereto form(s) part of this Agreement.

THE LISTING BROKERAGE AGREES TO MARKET THE PROPERTY ON BEHALF OF THE SELLER AND REPRESENT THE SELLER IN AN ENDEAVOUR TO OBTAIN A VALID OFFER TO PURCHASE THE PROPERTY ON THE TERMS SET OUT IN THIS AGREEMENT OR ON SUCH OTHER TERMS SATISFACTORY TO THE SELLER.

8/2/2018 1:27:21 PM AFSHIN NABAVI
(Authorized to bind the Listing Brokerage) DATE (Name of Person Signing)

THIS AGREEMENT HAS BEEN READ AND FULLY UNDERSTOOD BY ME AND I ACKNOWLEDGE THIS DATE I HAVE SIGNED UNDER SEAL. Any representations contained herein or as shown on the accompanying data form respecting the Property are true to the best of my knowledge, information and belief.

SIGNED, SEALED AND DELIVERED I have hereunto set my hand and seal:
IRA SMITH TRUSTEE & RECEIVER INC.,
solely in its capacity as Receiver of 2546456 Ontario Inc.
Per: (Signature of Seller) DATE August 9, 2018 (Tel. No.) 905.738.4167 x111

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the listing of the Property herein pursuant to the provisions of the Family Law Act, R.S.O. 1990 and hereby agrees to execute all necessary or incidental documents to further any transaction provided for herein.

(Spouse) DATE

DECLARATION OF INSURANCE
AFSHIN NABAVI
The salesperson/broker/broker of record hereby declares that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations.
(Signature(s) of Salesperson/Broker/Broker of Record)

ACKNOWLEDGEMENT
The Seller(s) hereby acknowledge that the Seller(s) fully understand the terms of this Agreement and have received a true copy of this Agreement

on the 9th day of August, 2018.
IRA SMITH TRUSTEE & RECEIVER INC.,
solely in its capacity as Receiver of 2546456 Ontario Inc.
Per: (Signature of Seller) Date: August 9, 2018

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FREEHOLD - SALE MLS® DATA INFORMATION FORM



MLS® LISTING # _____

FOR BOARD USE ONLY FOR A NEW LISTING OR TO BE COMPLETED FOR A RE-RUN.

Mandatory Field All Property Types Optional Field All Property Types

LOCATION

ASSESSMENT ROLL NUMBER (ARN)

PLAN 262D PT LOT 24

PIN # _____

AREA

Toronto

MUNICIPALITY

Toronto C01

COMMUNITY *

Dufferin Grove

*MANDATORY IF AVAILABLE

STREET NUMBER

STREET NAME

ABBREVIATION

DIR

APT/UNIT #

POSTAL CODE

558

Dovercourt

Rd

M6H 2W6

FRONTING ON (check 1 code)

LEGAL DESCRIPTION (LOT, PLAN, CONCESSION)

- East South
 North West

PT LT 24 PL D262 TORONTO AS IN CA474878

LOT FRONT *

LOT DEPTH *

LOT SIZE CODE *

LOT IRREGULARITIES

23

195

Feet Metres Acres

Regular

* MANDATORY EXCEPT FOR MOBILE/TRAILER

ACRES (check 1 code)

- Less than .50 Acres .50 - 1.99 Acres 2 - 4.99 Acres 5 - 9.99 Acres 10 - 24.99 Acres
 25 - 49.99 Acres 50 - 99.99 Acres 100 + Acres

ZONING

DIRECTION/MAIN CROSS STREETS

MAP #

MAP COL
(NUMERIC)

MAP ROW
(ALPHA)

College & Dovercourt

AMOUNTS/DATES

LIST PRICE

TAXES

TAX YEAR

ASSESSMENT

ASSESSMENT YR

2,588,888.00

\$ 7,835.78

2018

CONTRACT COMMENCEMENT

EXPIRY DATE

POSSESSION DATE

HOLDOVER DAYS

08 / 21 / 2018

11 / 30 / 2018

TBA

60

M M D D Y Y Y Y

M M D D Y Y Y Y

SELLER NAME

Ira Smith Trustee & Receiver Inc., Court appointed Receiver re: 558 Dovercourt Road, Toronto

MORTGAGE COMMENTS (80 CHARACTERS)

EXTERIOR

TYPE (check 1)

- Attached/Row/Street Townhouse
 Cottage
 Detached
 Duplex
 Farm
 Fourplex
 Link
 Mobile/Trailer

- Multiplex
 Other
 Rural Residential
 Semi-Detached
 Store with Apt/Office
 Triplex
 Vacant Land

PARCEL OF TIED LAND (POTL)*

- Yes
* Mandatory if POTL

POTL MONTHLY FEES*

*Mandatory if POTL

STYLE (check 1)

- 1 1/2 Storey
 2 Storey
 2 1/2 Storey
 3 Storey
 Backsplit 3 Level
 Backsplit 4 Level

- Backsplit 5 Level
 Bungalow
 Bungalow
 Bungalow - Raised
 Other
 Sidesplit 3 Level
 Sidesplit 4 Level
 Sidesplit 5 Level

EXTERIOR (check up to 2)

- Aluminum Siding
 Board & Batten

- Brick
 Brick Front
 Concrete
 Insulbrick
 Log
 Metal/Steel Siding
 Other
 Shingle
 Stone
 Stucco (Plaster)
 Vinyl Siding
 Wood

FORM 290

REV. APRIL 2017



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SELLERS INITIALS

[Handwritten signatures]

EXTERIOR (continued)

GARAGE TYPE (check 1)
 Attached
 Built-In
 Carport
 Detached
 None
 Other

GARAGE PARKING SPACES 3

DRIVE (check 1)
 Available
 Circular
 Front Yard (Legal)
 Lane
 Mutual
 None
 Other
 Private
 Private Double
 Right-of-Way

DRIVE PARKING SPACES 0

TOTAL PARKING SPACES 3

POOL (check 1)
 Above Ground
 Indoor
 Inground
 None

WATER (check 1)
 Both
 Municipal
 None
 Other
 Well

SEWERS (check 1)
 Holding Tank
 None
 Other
 Septic
 Sewer

RETIREMENT COMMUNITY
 Yes No

PHYSICALLY HANDICAPPED-EQUIPPED
 Yes No

SPECIAL DESIGNATION (check up to 6)
 Accessibility
 Expropriation
 Heritage
 Landlease
 Other
 Unknown

APPROXIMATE AGE (check 1)
 New
 0 - 5 Years
 6 - 15 Years
 16 - 30 Years
 31 - 50 Years
 51 - 99 Years
 100 + Years

APPROX SQUARE FOOTAGE (check 1)
 Less than 700
 700 - 1100
 1100 - 1500
 1500 - 2000
 2000 - 2500
 2500 - 3000
 3000 - 3500
 3500 - 5000
 5000 +

PROPERTY FEATURES/ AREA INFLUENCES (check up to 6)
 Arts Centre
 Beach
 Campground
 Clear View
 Cul de Sac/Dead End
 Electric Car Charger
 Fenced Yard
 Golf
 Greenbelt/Conservation
 Hospital
 Island
 Lake Access
 Lake Backlot
 Lake/Pond
 Level
 Library
 Marina
 Other
 Park
 Part Cleared
 Place of Worship
 Public Transit
 Ravine
 Rec./Commun.Centre
 River/Stream
 Rolling
 School
 School Bus Route
 Skiing
 Sloping
 Terraced
 Tiled/Drainage
 Waterfront
 Wooded/Treed

OTHER STRUCTURES (check up to 2)
 Auxiliary Residences
 Barn
 Box Stall
 Drive Shed
 Garden Shed
 Greenhouse
 Indoor Arena
 Kennel
 Paddocks
 Workshop

WATER SUPPLY TYPES (check 1)
 Artesian Well
 Bored Well
 Cistern
 Community Well
 Drilled Well
 Dug Well
 Lake/River
 Sand Point Well
 Shared Well
 Unknown

FARM/AGRICULTURE (check 1)
 Dairy
 Fish
 Hobby
 Horse
 Horticulture
 Land & Buildings
 Livestock
 Mixed Use Farm
 Other
 Poultry
 Produce
 Tree

WATERFRONT* (check 1)
 Direct
 Indirect
 None

UTILITIES

CABLE T.V.* (check 1)
 Yes No
 Available

HYDRO* (check 1)
 Yes No
 Available

SEWERS* (check 1)
 Yes No
 Available

GAS (Natural)* (check 1)
 Yes No
 Available

MUNICIPAL WATER* (check 1)
 Yes No
 Available

TELEPHONE* (check 1)
 Yes No
 Available

*MANDATORY: FARM, RURAL, RURAL RESIDENTIAL, VACANT LAND, PROPERTY TYPES OPTIONAL; FOR ALL OTHERS

For additional waterfront options, please use Form 295 - Cottage/Rural/Waterfront MLS* Data Information Form.

INTERIOR

ROOMS 15 | + | 4

BEDROOMS 7 | + | 1

KITCHENS 2 | + | 1

WASHROOMS See Level Codes
 2 | x | 3 | BM | 1 | x | 5 | 2F
 1 | x | 2 | MN | 1 | x | 3 | 2F
 1 | x | 3 | MN

FAMILY ROOM above grade
 Yes No

BASEMENT (check up to 2)
 Apartment
 Crawl Space
 Finished
 Finished with Walk-Out
 Full
 Half
 None
 Other
 Partial Basement
 Partially Finished
 Separate Entrance
 Unfinished
 Walk-Out
 Walk-Up

FIREPLACE/STOVE (Operational)
 Yes No

HEAT SOURCE (check 1)
 Electric
 Gas
 Ground Source
 Oil
 Other
 Propane
 Solar
 Wood

HEAT TYPE (check 1)
 Baseboard
 Fan Coil
 Forced Air
 Heat Pump
 Other
 Radiant
 Water

AIR CONDITIONING (check 1)
 Central Air
 None
 Other
 Wall Unit
 Window Unit

UFFI (check 1)
 No
 Partially Removed
 Removed
 Yes

CENTRAL VACUUM
 Yes No

LAUNDRY LEVEL (check 1)
 Lower
 Main
 Upper

ELEVATOR/LIFT
 Yes No

ROOMS/DETAILS

LEVEL	ROOM	LENGTH metres	WIDTH metres	DESCRIPTION (up to 3 per room as per table)
Rm 1	Main Living	7.83	5.40	Open Concept Custom Cabinetry Hardwood
Rm 2	Main Kitchen	3.25	3.01	Stone Countertop Built-in S/S APPS Breakfast Bar
Rm 3	Flat Family Rm	5.67	3.96	Fireplace Hardwood Balcony
Rm 4	Flat Kitchen	3.81	3.52	Breakfast Area Family Size Walk out to Yard
Rm 5	Basement Kitchen	3.91	3.83	Open Concept Cozy Ceramic
Rm 6	Basement Bedroom	3.90	2.52	En - suite Bathroom Ceramic Spacious
Rm 7	Flat 2nd flr Bedroom	3.80	2.49	Spacious Hardwood
Rm 8	Flat 2nd flr Bedroom	3.98	3.24	Hardwood Balcony View of patio
Rm 9	2nd Master Br	4.62	3.50	Terrace/Balcony Hardwood View of Dovercourt
Rm 10	2nd Bedroom	3.74	3.23	Very Cozy Hardwood His/Hers Closets
Rm 11	3rd Bedroom	5.42	2.95	Hardwood Walk out to roof Great View
Rm 12	3rd Bedroom	5.48	2.85	Lots of light Hardwood flrs Very Cozy

COMMENTS

IS COTTAGE/RURAL/WATERFRONT - MLS® DATA INFORMATION FORM (FORM 295) PART OF THIS AGREEMENT? Yes No

REMARKS FOR CLIENTS (use up to 463 characters)

- 1. Appear in the Brokerage Full, Client Full and Flyer Reports in TorontoMLS and are published on the Internet.
- 2. **REMARKS MUST RELATE DIRECTLY TO PROPERTY.**
- 3. **DISCLOSE POTL DETAILS & POTL MONTHLY FEES IN THIS FIELD.**

COURT APPOINTED SALE THROUGH RECEIVERSHIP - Watch your money grow with this investment property located in the heart of Dufferin Grove & Palmerston - Little Italy. \$93,600 in annual income from 2 sets of residential tenants whom are responsible for all utilities and a commercial tenant leasing the all concrete-block built 3 car garage abutting Bill Cameron Lane. Newly adopted zoning amendment permits the potential construction/development of laneway suites.

EXTRAS (use up to 240 characters)

- 1. Appear in the Brokerage Full, Client Full and Flyer Reports in TorontoMLS and are published on the Internet.
- 2. **REMARKS MUST RELATE DIRECTLY TO PROPERTY.**

From Top of the line appliances like SUB-ZERO, PANASONIC & Miele to custom cabinetry through out, this 8 bedroom, 3 kitchen, 6 baths holds the true value of your dollar. 3 x Fire Places, 2 x Central Vaccs, 2 x Washers/Dryers & 6 Entrances

REMARKS FOR BROKERAGES (use up to 280 characters)

- 1. Appear in the Brokerage Full Report in TorontoMLS and not on the Client Reports and are not published on the Internet.
- 2. **LIST ALL EQUIPMENT THAT IS RENTED, LEASED, OR LEASED TO OWN FOR THE PROPERTY INCLUDING THE DETAILS AND TERMS. REFER TO RESIDENTIAL INFORMATION CHECKLIST - RENTAL OR LEASE - FIXTURE(S)/CHATTEL(S) INCLUDED - FORM 823.**
- 3. **ADDITIONAL CONTACT INFORMATION IS ALLOWED ONLY IN THIS FIELD.**

Great Investment, AAA Tenants with interest to stay, Easy showing w/ lock box-24 Hour notice for all showings. No warranty as for measurements and representations - Property is sold "As is". Showings between 10 am - 8 pm. Allow 72 Hour Irrevocable. Attach Schedules B&C & Form 801.

OTHER

LISTING BROKERAGE TESA REAL ESTATE INC.	OFFICE PHONE (905) 503-8372
BROKER 1/SALESPERSON 1 AFSHIN NABAVI	L.B. FAX NO. Afshin@TESA.Group
BROKER 2/SALESPERSON 2	BROKER 1/SALESPERSON 1 PHONE (905) 503-8372
	BROKER 2/SALESPERSON 2 PHONE

COMMISSION TO CO-OPERATING BROKERAGE
2.5% + HST

SPIS Yes No **ENERGY CERTIFICATION** Yes No **CERTIFICATION LEVEL**

OPEN HOUSE DATE
08/25/2018

FROM 12:00 **TO** 05:00

GREEN PROPERTY INFORMATION STATEMENT Yes No **DISTRIBUTE TO DDPM/IDX** Yes No **DISTRIBUTE TO INTERNET** Yes No **DISPLAY ADDRESS ON INTERNET** Yes No

OPEN HOUSE NOTES Saturday & Sunday **APPOINTMENTS** Through Office **PERMISSION TO CONTACT L.B. TO ADVERTISE** Yes No

OCCUPANCY (check 1) Owner/Tenant Owner Partial Tenant Vacant **CONTACT AFTER EXPIRED** Yes No

VIRTUAL TOUR URL (100 characters) <https://my.matterport.com/show/?m=y9zvQT7mGX2&brand=1&vr=0&help=1>

PHOTO OPTIONS
 Use photo from photo library Upload your own photo(s) No photo for this listing

SELLER HEREBY ACKNOWLEDGES HAVING RECEIVED A COPY OF PART 2 OF 2 OF THE LISTING AGREEMENT.

SIGNATURE **IRA SMITH TRUSTEE & RECEIVER INC., SOLELY IN ITS CAPACITY AS RECEIVER**
RE: 558 DOVERCOURT ROAD, TORONTO DATE August 20, 2018

SIGNATURE Per: DATE August 20, 2018

ROOMS/DETAILS/DESCRIPTIONS - ALL RESIDENTIAL PROPERTY TYPES (Searchable)

LEVELS	CODES	Fridge	Marble	Moulded
Basement	B	Microwave	Parquet	Pedestal
Flat (use with apartments)	F	Oven	Pegged	Porcelain
2nd	2	Range	Plank Floor	Stainless Steel
3rd	3	Shelves	Porcelain	Undermount
Ground	G	Stove	Raised	STAIRS
In Between (1/2 level)	I	Vanity	Slate Flooring	Circular
Lower level	L	CEILING	Stone Floor	Circular Oak
(use with splits)		Acoustic	Tile	Curved
Main (use with splits)	M	Beamed	Tumbled Marble	Double
Sub-basement	S	Cathedral	Wood	Floating
(use with splits)		Coffered	KITCHENS	Metal Railing
Upper level	U	Dropped	Backsplash	Oak Banister
(use with splits)		Illuminated	Breakfast Area	Open
ROOMS		Mirrored	Breakfast Bar	Scarlett O'Hara
Bathroom		Moulded	Centre Island	Spiral
Bedroom		Plaster	Country	Staircase
2nd Bedroom		Skylight	Custom Backsplash	Stair Assist
3rd Bedroom		Stucco	Eat-In	Suspended
4th Bedroom		Tiled	Family Size	VIEWS
5th Bedroom		Vaulted	Galley	North
Breakfast		CLOSETS	Greenhouse	North East
Cold Room/Cantina		Built-in	Hollywood	North West
Common Room		Cedar	Modern	North South
Den		Closet	Pantry	East
Dining		Closet Organizer	Renovated	East West
Exercise		Double	Stainless Steel Appliances	South
Family		His & Hers	Up-dated	South East
Foyer		Large	LIGHTING	South West
Furnace		Linen	Fluorescent	West
Games		Mirrored	Halogen	WALK-OUTS
Great Room		Walk-in	Hidden	Walk-Out
Kitchen		Walk Through	Indirect	to Balcony
Laundry		Wall-to-Wall	Pot	to Deck
Library		COUNTERS	Recessed	to Garage
Living		Concrete Counter	Track	to Garden
Locker		Corian Counter	Wall Sconce	to Greenbelt
Loft		Custom Counter	OVERLOOKS	to Patio
Master Bedroom		Glass Counter	Backyard	to Pool
Media/Entertainment		Granite Counter	Dining room	to Porch
Mudroom		Marble Counter	Family room	to Ravine
Nursery		Moulded Counter	Frontyard	to Roof
Office		Quartz Counter	Garden	to Sundeck
Other		Stainless Steel Counter	Golf Course	to Sunroom
Pantry		Stone Counter	Greenbelt	to Terrace
Playroom		DOORS	Living room	to Water
Powder Room		Automatic Doors	Park	to Yard
Recreation Room		Colonial	Patio	WINDOWS
Sitting		Double	Pool	Above Grade
Solarium		Dutch	Ravine	Bay
Study		Folding	Water	Bow
Sun Room		French	ROOM COMBINED WITH	Casement
Tandem Room		Glass Doors	Bedroom	Clerestory
Utility		Louvered	Den	Floor to Ceiling
Workshop		Pocket	Dining Room	Glass Block
BARS		Saloon	Family Room	Greenhouse
Dry Bar		Side	Games Room	Large Window
Wet Bar		Sliding Doors	Great Room	Leaded Glass
BATHS		Swing	Kitchen	Picture
2 piece		FIREPLACE/STOVE	Laundry	Stained Glass
2 piece ensuite		2 Way	Library	Window
3 piece		Acorn Stove	Living Room	MISCELLANEOUS
3 piece ensuite		Brick	Master Bedroom	Access to Garage
4 piece		Closed	Nursery	Balcony
4 piece ensuite		Electric	Office	Breezeway
5 piece		Fireplace	Playroom	California Shutters
5 piece ensuite		Floor to Ceiling	Recreation Room	Ceiling Fan
6 piece		Franklin Stove	Sitting Room	Chair Rail
6 piece ensuite		Gas	Solarium	Crown Moulding
7 piece		Imitation	Sun Room	Elevator
7 piece ensuite		Insert	Workshop	Enclosed
Bidet		Marble	ROOM STYLES	Finished
Ensuite		Pellet	Circular	Hot Tub
Semi-ensuite (walk-thru)		Roughed-in	Formal	Intercom
Separate Shower		Stone	Irregular	Juliette Balcony
Soaker		Wall-to-Wall	L-shaped	Mirrored Walls
Step-Up		Wood Stove	Open Concept	Murphy Bed
Sunken		Zero Clearance	Raised	Natural Finish
Walk-in Bath		FLOORING	Separate	Networked
Whirlpool		Bamboo Floor	Sunken	Panelled
BUILT-INS		Broadloom	SINKS	Partly Finished
Appliances		Ceramic	Bar	Pass Through
Bar		Concrete	Ceramic	Plate Rail
Bookcase		Cork Floor	Concrete Sink	Sauna
Built-in Speakers		Cushion	Double	Sump Pump
Closet		Granite	Enamel	Unfinished
Counter-top Stove		Hardwood	Glass Sink	Wainscoting
Desk		Heated Floor	Granite	Walk-thru
Dishwasher		Laminate	Laundry	Walk-up
Fish Tank		Limestone Flooring	Marble	Wood Trim
		Linoleum		

SALE

FREEHOLD

MLS® DATA INFORMATION FORM

Form 290



DS000021

Listing Data Electronic Permission Fields

GREEN PROPERTY INFORMATION STATEMENT
 Yes No

DISTRIBUTE TO DDF™/IDX
 Yes No

DISTRIBUTE TO INTERNET
 Yes No

DISPLAY ADDRESS ON INTERNET
 Yes No

OPEN HOUSE NOTES

APPOINTMENTS

PERMISSION TO CONTACT LB TO ADVERTISE
 Yes No

The following chart is designed to explain how these two fields work in combination if a Brokerage subscribed to these Internet sites:

VOW - Virtual Office Website

IDX - Internet Data Exchange

DLA - Data License Agreement

REALTOR.ca - REALTOR® Website

DDF™ - Data Distribution Facility

Combination Check		Your Listing
Distribute to Internet	Yes	Goes to: VOW, IDX, DLA, REALTOR.ca, DDF™
Distribute to DDF™/IDX	Yes	
Distribute to Internet	Yes	Goes to: VOW, DLA, REALTOR.ca
Distribute to DDF™/IDX	No	Will not go to: IDX, DDF™
Distribute to Internet	No	Will not go to: VOW, IDX, DLA, REALTOR.ca, DDF™
Distribute to DDF™/IDX	Yes or No	

PERMISSION TO CONTACT LB TO ADVERTISE Yes No

Important to note: With the exception of the circumstances in the chart above, if a Brokerage wishes to advertise another Brokerage's listing, it must have a separate written permission from the Listing Brokerage's Broker of Record. If Permission to Contact LB to Advertise field says YES, you may contact the Listing Brokerage's Broker of Record to obtain permission to advertise their listing. If Permission to Contact LB to Advertise field says NO, that means that they will not be allowing other Brokerages to advertise their listing at all. If a written permission is not granted, the Brokerage advertising may be in violation of MLS® Rule R-430.



Schedule B Agreement of Purchase and Sale

Form 105

for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER:, and

SELLER: Ira Smith Trustee & Receiver Inc., Court appointed Receiver

for the property known as 558 Dovercourt Rd. Toronto Toronto C01

M6H 2W6 dated the day of, 20.....

Real Estate Trust Account: In accordance of the Real Estate and Business Brokers Act, 2002 (the "Act"), TESA REAL ESTATE INC. (the "Brokerage"), will be the deposit holder of the deposit cheque, which will be given to the Brokerage to be held in trust with respect to this agreement. The parties in this agreement, herein acknowledge that the deposit holder shall place the deposit in the real estate trust account and no interest shall be earned, recieved or paid out on the deposit.

Property Tax/ Assessment: The parties to this agreement acknowledge that the property's tax is assessed on an annual basis and the buyer agrees that no claim will be made against the Seller and/or TESA Real Estate Inc., for any changes in the property tax.

Material/Content: The buyer acknowledges that feature sheets, floor plans, measurements, laneway suite zoning representations and marketing material provided by TESA Real Estate Inc. with respect to the property described herein, were ordered and obtained for respective purposes. TESA Real Estate Inc. and the Seller make no representations or warranties regarding these materials and/or their content. The Buyer further acknowledges it is the Buyer's sole responsibility to complete their own due diligence.

Advertising: The parties to this transaction hereby give their consent and authorize the Brokers involved in the sale of the property described herein, to market their services to the general public by advertising the sale of the property including the sale price and the Broker's involvement in the sale of the property.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): 

INITIALS OF SELLER(S): 



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Working with a REALTOR®



Form 810

for use in the Province of Ontario

The REALTOR® Consumer Relationship

In Ontario, the real estate profession is governed by the Real Estate and Business Brokers Act, 2002, and Associated Regulations (REBBA 2002 or Act), administered by the Real Estate Council of Ontario (RECO). All Ontario REALTORS® are registered under the Act and governed by its provisions. REBBA 2002 is consumer protection legislation, regulating the conduct of real estate brokerages and their salespeople/brokers. The Act provides consumer protection in the form of deposit insurance and requires every salesperson/broker to carry errors & omission [E&O] insurance.

When you choose to use the services of a REALTOR®, it is important to understand that this individual works on behalf of a real estate brokerage, usually a company. The brokerage is operated by a Broker of Record, who has the ultimate responsibility for the employees registered with the brokerage. When you sign a contract, it is with the brokerage, not with the salesperson/broker employee.

The Act also requires that the brokerage (usually through its REALTORS®) explain the types of service alternatives available to consumers and the services the brokerage will be providing. The brokerage must document the relationship being created between the brokerage and the consumer, and submit it to the consumer for his/her approval and signature. The most common relationships are "client" and "customer", but other options may be available in the marketplace.

Client

A "client" relationship creates the highest form of obligation for a REALTOR® to a consumer. The brokerage and its salespeople/brokers have a fiduciary (legal) relationship with the client and represent the interests of the client in a real estate transaction. The REALTOR® will establish this relationship with the use of a representation agreement, called a Listing Agreement with the seller and a Buyer Representation Agreement with the buyer. The agreement contains an explanation of the services the brokerage will be providing, the fee arrangement for those services, the obligations the client will have under the agreement, and the expiry date of the agreement. Ensure that you have read and fully understand any such agreement before you sign the document.

Once a brokerage and a consumer enter into a client relationship, the brokerage must protect the interests of the client and do what is best for the client. A brokerage must strive for the benefit of the client and must not disclose a client's confidential information to others. Under the Act, the brokerage must also make reasonable efforts to determine any material facts relating to the transaction that would be of interest to the client and must inform the client of those facts. Although they are representing the interests of their client, they must still treat all parties to the transaction with fairness, honesty, and integrity.

Customer

A buyer or seller may not wish to be under contract as a client with the brokerage but would rather be treated as a customer. A REALTOR® is obligated to treat every person in a real estate transaction with honesty, fairness, and integrity, but unlike a client, provides a customer with a restricted level of service. Services provided to a customer may include showing the property or properties, drafting the offer, presenting the offer, etc. Brokerages use a Customer Service Agreement to document the services they are providing to a buyer or seller customer.

Under the Act, the REALTOR® has disclosure obligations to a customer and must disclose material facts known to the brokerage that relate to the transaction.

What Happens When...

Buyer(s) and the seller(s) are sometimes under contract with the same brokerage when properties are being shown or an offer is being contemplated. There can also be instances when there is more than one offer on a property and more than one buyer and seller are under a representation agreement with the same brokerage. This situation is referred to as multiple representation. Under the Act, the REALTORS® and their brokerage must make sure all buyers, sellers, and their REALTORS® confirm in writing that they acknowledge, understand, and consent to the situation before their offer is made. REALTORS® typically use what is called a Confirmation of Co-operation and Representation form to document this situation.

Offer negotiations may become stressful, so if you have any questions when reference is made to multiple representation or multiple offers, please ask your REALTOR® for an explanation.

Critical Information

REALTORS® are obligated to disclose facts that may affect a buying or selling decision. It may be difficult for a REALTOR® to judge what facts are important. They also may not be in a position to know a fact. You should communicate to your REALTOR® what information and facts about a property are important to you in making a buying or selling decision, and document this information to avoid any misunderstandings and/or unpleasant surprises.

Similarly, services that are important to you and are to be performed by the brokerage, or promises that have been made to you, should be documented in your contract with the brokerage and its salesperson/broker.

To ensure the best possible real estate experience, make sure all your questions are answered by your REALTOR®. You should read and understand every contract before you finalize it.

Acknowledgement by: Ira Smith Trustee & Receiver Inc., Court appointed Receiver of 2546456 Ontario Inc.

(Names)

I/we have read, understand, and have received a copy of Working with a REALTOR®

Sellers: As seller(s), I/we understand that

TESA Real Estate Inc. Brokerage

(Name of Brokerage)

(initial one)

Is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other sellers and buyers.

Is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

IRA SMITH TRUSTEE & RECEIVER INC.
solely in its capacity as Receiver of 2546456 Ontario Inc.

(Signature) [Signature] (Date) August 9, 2018

(Signature) I have authority to bind the Corporation

Buyers: As buyer(s), I/we understand that

(Name of Brokerage)

(initial one)

Is representing my interests, to be documented in a separate written agency representation agreement, and I understand the brokerage may represent and/or provide customer service to other buyers and sellers.

Is not representing my interests, to be documented in a separate written customer service agreement, but will act in a fair, ethical and professional manner.

(Signature) _____ (Date) _____

(Signature) _____ (Date) _____

Please note that Federal legislation requires REALTORS® to verify the identity of sellers and buyers with whom they are working. For the purposes of this information, the term "seller" can be interpreted as "landlord" and "buyer" can mean "tenant." This form is for information only and is not a contract.

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EXHIBIT "K"

**TO THE FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.,
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF 2546456 ONTARIO INC.
AND EXHIBITS THERETO**

SEALED

EXHIBIT "L"

**TO THE FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.,
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF 2546456 ONTARIO INC.
AND EXHIBITS THERETO**

SEALED



Waiver Agreement of Purchase and Sale



Form 123
for use in the Province of Ontario

BUYER: 2220193 Ontario Limited

SELLER: Ira Smith Trustee & Receiver Inc. (see attached Schedule A-3 for complete Seller's name)

REAL PROPERTY: 558 Dovercourt Road, Toronto, Ontario

In accordance with the terms and conditions of the Agreement of Purchase and Sale dated the 31 day of October, 2018, regarding the above property, I/We hereby waive the condition(s) which read(s) as follows:

WAIVER - PAGE 1 OF 2

This Offer is Conditional until 8:00 p.m. November 30, 2018 upon the Buyer been able to inspect the subject property by himself and by a qualified home inspector and being satisfied with such inspection at his sole and absolute discretion, otherwise this offer shall become null and void and the deposit money shall be returned to the Buyer in full without interest or deduction. This condition is included for the benefit of the Buyer and may be waived at his sole option.

It is a condition of this agreement of purchase and sale that the Buyer shall have until 8:00 p.m. on November 30, 2018 ("the conditional period") to satisfy itself and approving of the condition of the property, including environmental condition, zoning by laws and restrictions, regulations and ordinances and any other outstanding work orders, any encumbrances to which the Property may be subject to all at the Buyers sole and absolute discretion and at his own expense. (the "Condition Period.")

All other terms and conditions in the aforementioned Agreement of Purchase and Sale to remain unchanged.

For the purposes of this Waiver, "Buyer" includes purchaser and "Seller" includes vendor.

WAIVED at Toronto, Ontario, at 3:00 p.m. this 30th day of November, 2018.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) [Signature] Per: [Signature] 2220193 Ontario Limited (Seal) DATE Nov 30 2018

I HAVE AUTHORITY TO BIND THE CORPORATION (Witness) Per: [Signature] (Buyer/Seller) IRA SMITH TRUSTEE & RECEIVER INC. DATE December 3, 2018

SOLELY IN ITS CAPACITY AS
COURT APPOINTED RECEIVER OF
2546456 ONTARIO INC.

Receipt acknowledged at 4:50 Pm 30th day of November, 2018 by: Afshin Nabavi

Print Name: Afshin Nabavi Signature: [Signature]

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Waiver Agreement of Purchase and Sale



Form 123
for use in the Province of Ontario

BUYER: 2220193 Ontario Limited

SELLER: Ira Smith Trustee & Receiver Inc. (see attached Schedule A-3 for complete Seller's name)

REAL PROPERTY: 558 Dovercourt Road, Toronto, Ontario

In accordance with the terms and conditions of the Agreement of Purchase and Sale dated the 31 day of October, 2018, regarding the above property, I/We hereby waive the condition(s) which read(s) as follows:

WAIVER PAGE 2 OF 2

If within the conditional period the buyer delivers written notice to the seller that is not satisfied with the physical condition of the Property, including environmental condition, zoning by-laws and restrictions, regulations and ordinances, and any other outstanding work orders, and encumbrances to which the Property may be subjected to or if the Buyer is unable to arrange satisfactory financing, the Deposit shall be returned to the Buyer within 24 hours from such notice and this Agreement shall thereunder be at an end and neither party shall have any further rights or obligations hereunder. If the Buyer fails to give written notice to the Seller up until 8:00 p.m. on the condition Date with respect to the foregoing. The Buyer shall be deemed not to have waived the Condition and this Agreement shall be null and void and the Deposit shall be returned to the Buyer without interest or deduction of any kind within 24 hours from the expiry of the condition period and both parties shall be released from the obligations hereunder. If within the Conditional Period the Buyer is satisfied with the Condition, the Buyer shall deliver to the Seller or the Sellers solicitor or the Listing Broker a written notice that the Condition is satisfied and the transaction contemplated by this agreement shall be completed on the completion date set herein. This condition is inserted for the benefit of the Buyer and may be waived by the Buyer at any time at the Buyers sole and absolute discretion.

All other terms and conditions in the aforementioned Agreement of Purchase and Sale to remain unchanged.

For the purposes of this Waiver, "Buyer" includes purchaser and "Seller" includes vendor.

WAIVED at Toronto, Ontario, at 3:00 p.m. this 30th day of November, 2018.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) [Signature] 220193 Ontario Limited (Seal) DATE Nov 30 2018

I HAVE AUTHORITY TO BIND THE CORPORATION Per: [Signature] IRA SMITH TRUSTEE & RECEIVER IN TRUST DATE December 3, 2018
(Witness) [Signature] SOLELY IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF (Seal) 2546456 ONTARIO INC.

Receipt acknowledged at 4:50 Pm 30th day of November, 2018 by:

Print Name: Afshin Nabavi Signature: [Signature]

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IRA SMITH
TRUSTEE & RECEIVER INC.

STARTING OVER, STARTING NOW

167 Applewood Cres. Suite 6, Concord, ON L4K 4K7

Phone: 905.738.4167

Fax: 905.738.9848

irasmithinc.com

Brandon Smith

Phone: 905.738.4167 ext. 113

Email: brandon@irasmithinc.com

December 10, 2018

**VIA COURIER &
EMAIL valentine.tomlinson@gmail.com**

Riders Cycle & Board Inc.
386 Harbord Street
Toronto, ON M6G 1H9

Dear Sirs/Mesdames

**2546456 Ontario Inc. (the "Company")
Garage at 558 Dovercourt Road, Toronto (the "Premises")**

As you are aware, pursuant to an Order of the Ontario Superior Court of Justice, dated July 30, 2018, Ira Smith Trustee & Receiver Inc. was appointed Receiver (the "Receiver") of the Company's real property located at 558 Dovercourt Road, Toronto.

Please find enclosed our notice of termination of the lease for the Premises. The termination is effective 30 days from December 15, 2018. Please arrange to deliver to us all keys, remotes and security codes to the Premises, in your possession upon your vacating of the Premises, on or before the effective date of the termination.

Yours truly,

**IRA SMITH TRUSTEE & RECEIVER INC.,
solely in its capacity as Court-Appointed Receiver
of 2546456 Ontario Inc.**

Per:

Brandon Smith, CIRP, LIT
Senior Vice-President

enc

NOTICE OF TERMINATION**DELIVERED BY COURIER AND BY EMAIL**

Riders Cycle & Board Inc.

386 Harbord Street,
Toronto, Ontario
M6G 1H9

Riders Cycle & Board Inc.

558 Dovercourt Road
Toronto, Ontario
M6H 2W6

FROM: Ira Smith Trustee & Receiver Inc. in its capacity as the Court-Appointed Receiver of 2546456 Ontario Inc. (LANDLORD)

TO: Riders Cycle & Board Inc. (TENANT)

RE: NOTICE OF TERMINATION OF LEASE DATED October 15, 2017 BETWEEN 2546456 Ontario Inc. AS LANDLORD AND Riders Cycle & Board Inc. AS TENANT – 558 Dovercourt Road, Toronto, Ontario (“Premises”)

In accordance with the terms of the Lease, the Landlord hereby terminates the Lease effective thirty (30) days from December 15, 2018 pursuant to its rights as Landlord under the Lease.

Take notice that the Landlord intends to re-enter the Premises and take possession thirty (30) days from December 15, 2018, but, in so doing, expressly preserves its rights to look to the Tenant for all Rent and other charges owing at the present time and throughout the balance of the period provided for herein.

DATED at Toronto, this 10th day of December, 2018.

Ira Smith Trustee & Receiver Inc. in its capacity as the Court-Appointed Receiver of 2546456 Ontario Inc. (Landlord)

Per: 
Brandon Smith

I have authority to bind the corporation

Exhibit "O"

2546456 Ontario Inc.

NAME OF TENANT: Riders Cycle & Board Inc. UNIT #: _____
 ADDRESS: 386 Harbord St. Toronto, ON M6G 1H9 DRIVER LIC: _____
 EMAIL: valentine.tomlinson@gmail.com PHONE: 416-898-8257
 CARD #: _____ EXP: _____ WORK: 647-349-5649
 CREDIT CARD: VISA MASTERCARD OTHER - Cash

RENTAL CONTRACT

Rental Rate: The tenant hereby agrees to rent from the landlord, 2546456 Ontario Inc, premises known as "the garage" located at 558 Dovercourt Road Toronto ON (hereinafter called "the premises") commencing on the 15th of October, 2017 on a monthly basis, at a rent of \$200.00.

Payments are payable in advance or on the montly renewal date.

Storage Limits: The unit shall be used only for unheated storage. The tenant shall not introduce any heating device into the unit. The tenant shall not use or permit the unit to be used for storage of flammable substances, fertilizers, explosives, animals, or any other hazardous materials or substances or other articles which may constitute a nuisance, hazard or danger to the landlord, the premises, and/or other tenants.

Tenant Risks: The tenant assumes all risk in relation to the loss or damage to the contents of personal property of the tenant in the unit from any cause whatsoever. The landlord shall have no responsibility or liability for the loss or damage to such contents from any cause whatsoever. The tenant, and the tenant on behalf of the insurer, shall waive any rights of subrogation to any claim that the tenant may make to that insurer or against the Landlord for any liability relating to the loss of, or damage to, such contents or personal property. The tenant hereby agrees to indemnify the Landlord and to hold and save the Landlord harmless from any loss, damage, expense, or claim arising from the tenant's act's or omissions, and the Landlord shall not be liable to the tenant for any loss or damage that may result from, or through the act or omission of other tenants or of any other person.

Security Deposit: Upon signing this lease, the tenant shall pay a security, cleaning and damage deposit, in the amount of \$ 0. This deposit shall be returned to the tenant within fifteen (15) days after the unit is vacated, provided that the Landlord is satisfied that the unit is left in an undamaged and clean condition and that fifteen (15) days advance notice of vacating is given. The Landlord may retain any amount necessary for compensation for arrears of rent, cleaning, and/or damage costs.

Arrears of Rent: If the rent is in arrears for at least ten (10) days, or if the unit is not vacated upon termination of this contract, the Landlord may deem the unit abandoned along with the contents, therefore and upon ten (10) days notice in writing, sent by registered mail to the tenant at the above address, or last known address, the Landlord may retake possession of the unit and sell the contents thereof to satisfy all monies due to the Landlord for arrears of rent, cleaning, and/or damage charges and all other associated costs.

NSF Cheques: Shall be subject to an additional charge of \$45.00 each

Entry of Unit by Landlord: The Landlord reserves the right to enter the unit without notice, for the purpose of inspection whenever the Landlord deems that repairs are necessary, any hazardous condition exists, or for any other breach of this agreement.

Vacating the Unit: When the tenant wishes to vacate the unit and terminate the contract, he/she shall notify the Landlord fifteen ¹⁵ ~~(30)~~ days in advance. He/She shall further notify the Landlord when all contents have been removed from the unit, including the tenants lock. The tenant shall be liable for rent until all conditions for vacating are fulfilled.

per: Riders Cycle + Board Inc.
 TENANT: [Signature]
 DATE: Oct. 15, 2017

RENT - FIRST	\$200.00
TOTAL DUE	\$200.00
AMOUNT PAID	\$200.00
BALANCE DUE	\$0.00

EXHIBIT "P"

**TO THE FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.,
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF 2546456 ONTARIO INC.
AND EXHIBITS THERETO**

SEALED

**MACDONALD
SAGER
MANIS LLP
LAWYERS**

Suite 800 - 150 York Street
Toronto, Ontario
M5H 3S5
Canada
Telephone: (416) 364-1553
Facsimile: (416) 364-1453

Affiliated with **Harris Beach, LLP** International

HOWARD F. MANIS
Direct Line: (416) 364-5289
E-Mail: hmanis@msmlaw.net

Please refer to File No.:

December 14, 2018

DELIVERED BY E-MAIL

Ira Smith Trustee & Receiver Inc.
Suite 6
167 Applewood Crescent
Concord, Ontario
L4K 4K7

Attention: Ira Smith/Brandon Smith

Dear Sirs:

Re: 2546456 Ontario Inc. (the "Debtor")

You requested that we review and provide you with our opinion as to the validity and enforceability of certain security interests and charges granted by the Debtor as follows:

1. A Charge/Mortgage of Land given by the Debtor in the principal amount of \$1,450,000.00 registered as Instrument No. AT4527566 registered on April 3, 2017 by B&M Handelman Investments Limited, Carol Handelman, Yerusha Investments Inc., Bamburg Holdings Ltd., Ronald Pollock, Judy Pollock, Candid Opinion Ltd., Sabo Properties Limited, Nechama Stern, Charles Pollak, Nancy Pollak, Mendel Rubinoff, Judy Rubinoff, The Bank of Nova Scotia Trust Company, Wendy Gruneir and 1031436 Ontario Inc. (collectively referred to as the "First Mortgagees") upon the real property municipally known as 558 Dovercourt Road, Toronto, Ontario (the "First Mortgage");
2. A Charge/Mortgage of Land given by the Debtor in the principal amount of \$611,000.00 registered as Instrument No. AT4588484 registered June 5, 2017 by Money Gate Mortgage Investment Corporation upon the real property municipally known as 558 Dovercourt Road, Toronto, Ontario (the "Second Mortgage");

-2-

and as to the validity and enforceability of such security interests as against the creditors of the Debtor.

The mortgagees of each of the First Mortgage and the Second Mortgage may be collectively referred to as the "Mortgagees".

In forming the opinions expressed below, we have examined the following:

1. A copy of the First Mortgage;
2. A copy of the Second Mortgage;
3. A copy of an abstract of title to the real property upon which the First Mortgage and the Second Mortgage are registered and municipally known as 558 Dovercourt Road, Toronto, Ontario dated July 3, 2018;

Our opinions with respect to the matters referred to below are subject to the following qualifications and reservations:

1. we have assumed that all documents were registered on the date indicated therein;
2. we have assumed that the Debtor is a corporation duly incorporated and organized under the laws of the Province of Ontario and had all necessary corporate power and authority to execute and deliver the security documents referred to herein;
3. we have assumed the execution, delivery and performance by the Debtor of all documents have been duly authorized by all necessary corporate action of the Debtor and have been duly executed and delivered by the Debtor;
4. we have relied upon certificates of public offices as to matters of fact not stated herein to have been assumed or independently verified or established by us;
5. we have assumed the accuracy and currency of the indices and filing systems maintained at the public offices where we have searched or inquired or have caused such searches or inquiries to be conducted;
6. we have assumed that the Debtor has no legal defences against the Mortgagees for, without limitation, absence of legal capacity, fraud by or to the knowledge of the Mortgagees, misrepresentation, undue influence or duress;
7. we have assumed that all security documents were delivered by the Debtor as security for direct advances made by the Mortgagees to the Debtor;

-3-

8. we have assumed that monies were in fact advanced by the Mortgagees to the Debtor and that monies are in fact owing by the Debtor to the Mortgagees with respect to the advances as of the date hereof;

9. we express no opinion as to:

(a) title of the Debtor to any of the collateral whatsoever; or

(b) the enforcement of the security by the Mortgagees or any judgment arising out of or in connection therewith (and the priority of any rights arising thereunder), which enforcement may be limited by any applicable bankruptcy, reorganization, winding-up, insolvency, moratorium or other laws of general application affecting the Mortgagees' rights from time to time in effect and is subject to general principles of equity including the equitable or statutory powers of the courts of Ontario and Canada to stay proceedings, stay the execution of judgments and to grant relief against forfeiture;

10. we are qualified to render opinions in this regard only as to laws in force in the Province of Ontario and the applicable federal laws of Canada as currently applied and enforced in Ontario and accordingly we render no opinion with respect to any security delivered to the Mortgagees by the Debtor which has been registered in provinces other than Ontario;

11. this opinion is confined to statements of fact or matters set forth herein as existing as at the date of this opinion.

Based upon and subject to the foregoing and general principles of equity, the laws relating to bankruptcy, insolvency, reorganization and creditors' rights generally, we are of the opinion that:

1. the First Mortgage is a validly registered mortgage against the subject property;
2. the Second Mortgage is a validly registered mortgage against the subject property;

In addition, you have asked for an opinion with respect to a claim by the Mortgagees for payment of a three months interest bonus under the First Mortgage.

Facts

The First Mortgagees hold a first mortgage over the subject real property.

At the time of the Receiver's appointment, the First Mortgage had matured and the First Mortgage was in financial default.

-4-

Prior to the Receiver's appointment, the Mortgagees issued Section 244 Notices under the *Bankruptcy and Insolvency Act*. They did not issue Notices of Sale under Mortgage.

Section 17 of the *Mortgages Act*¹ provides as follows:

17(1) Payment of principal upon default

Despite any agreement to the contrary, where default has been made in the payment of any principal money secured by a mortgage of freehold or leasehold property, the mortgagor or person entitled to make such payment may at any time, upon payment of three months interest on the principal money so in arrears, pay the same, or the mortgagor or person entitled to make such payment may give the mortgagee at least three months notice, in writing, of the intention to make such payment at a time named in the notice, and in the event of making such payment on the day so named is entitled to make the same without any further payment of interest except to the date of payment.

17(2) Exception

If the mortgagor or person entitled to make such payment fails to make the same at the time mentioned in the notice, the mortgagor or person is thereafter entitled to make such payment only on paying the principal money so in arrear and interest thereon to the date of payment together with three months interest in advance.

17(3) Saving

Nothing in this section affects or limits the right of the mortgagee to recover by action or otherwise the principal money so in arrear after default has been made.

In addition to s. 17 of the *Mortgages Act*, the Commitment issued by the First Mortgagee and accepted by the Debtor contains a clause which also provides for a three months interest bonus.

Issue

In the context of a court-supervised receivership, is a mortgagee entitled to payment of a three month interest bonus under s. 17 of the *Mortgages Act* or under a provision in the agreement of the parties, or under both?

Law

In *Mastercraft Properties Ltd. v. EL EF Investments Inc.*², the Court of Appeal put to rest the debate as to whether s. 17 violates s. 8 of the *Interest Act*³, which prohibits a "fine", "penalty", or "rate of interest" from being imposed on arrears of principal or interest secured by a mortgage that has the effect of increasing the charge on any such arrears beyond the rate of interest payable on the principal money not

¹ 1990, c. M.40

² [1993] 32 R.P.R. (2d) 103 D.L.R. (4th) 759, 14 O.R. (3d) 519, 64 O.A.C. 308, 1993 CarswellOnt 614

³ 1985, c. I-15

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in arrears. The Court concluded that no such violation exists. In that case, the Court also made two additional important conclusions: (1) that a mortgage document may also include a provision that provides for a three month interest bonus so long as that provision does not go beyond what is provided for in s. 17 of the *Mortgages Act* and does not violate s. 8 of the *Interest Act*; and (2) that s. 17 of the *Mortgages Act* is implicitly incorporated into all mortgages.

Several cases have addressed if, and under what circumstances, a mortgagee may lose his entitlement to payment of the three month interest bonus. The decisions for the most part are inconsistent. However, an overall reconciliation and conclusion regarding this issue can be extracted from them.

In cases such as *Shankman v. Mutual Life Assurance Co.*⁴ and *Municipal Savings & Loan Corp. v. Wilson*⁵, both of which relied primarily on comments made in *Bovill v. Endle*⁶, the Court of Appeal held that if a mortgagee takes steps to enforce his security, the mortgagee loses his entitlement to the three month interest bonus. The Court of Appeal reasoned that once a mortgagee has enforced his security he cannot then prevent redemption by refusing tender of principal, interest and costs on the ground that he is entitled to a certain number of months notice.⁷ These cases also addressed what actions constitute steps of enforcement and what actions do not. For example, the issuance of a notice of sale under a power of sale constitutes an act of enforcement, whereas the issuance of a section 244 notice under the *Bankruptcy and Insolvency Act* does not⁸.

It should be noted that none of these cases specifically dealt with whether the act of applying to Court to appoint a receiver constitutes an act of enforcement on the part of the mortgagee notwithstanding that the sale of the mortgaged property is effected by the Receiver and not the mortgagee.

It is trite law that a court-appointed receiver does not act as agent for either the mortgagee or the mortgagor. One could therefore argue persuasively that the actions of a court-appointed receiver cannot be considered actions of a mortgagee, and are therefore not acts of enforcement by the mortgagee. However, this issue need not be considered further in light of the case law hereinafter discussed.

There is another line of cases which stand for the proposition that a mortgagee does not lose his entitlement to a three month interest bonus by invoking enforcement proceedings.

One such case is *O'Shanter Development Co. v. Gentra Canada Investments Inc.*⁹ In *O'Shanter*, the second mortgagee (O'Shanter) sold the mortgaged property under a Notice of Sale issued prior to the Notice of Sale issued by the first mortgagee (Gentra).

⁴ [1985] 52 O.R. (2d) 65 (Ont.C.A.) (hereinafter *Shankman*)

⁵ (1981), 127 D.L.R. (3d) 127, 20 R.P.R. 188 (Ont.C.A.) (hereinafter *Municipal Savings*)

⁶ [1896] 1 Ch. 648

⁷ *Shankman* parag 57 and 58.

⁸ *Leby Properties Ltd. v. Manufactures Life Insurance Co.* [2006] N.B.J. No. 17, 2006 CarswellNB 25.

⁹ 47 R.P.R. (2d) 24, 25 O.R. (3d) 188, 84 O.A.C.334, 57 A.C.W.S. (3d) 355, 1995 CarswellOnt 399 (Ont.Div.Ct.) (hereinafter *O'Shanter*)

-6-

As a condition of discharging its mortgage, the first mortgagee required payment of the bonus pursuant to paragraph 5.2 of the mortgage document which provided:

5.2 If payment of any part of the Principal Sum is made prior to the Maturity Date, whether by reason of payment after acceleration upon the occurrence of an Event of Default or as other permitted hereunder, the Mortgagor agrees to indemnify and save harmless the mortgagee from all costs and losses resulting therefore and to pay to the Mortgagee the greater of:

(a) three months' interest on the Principal amount prepaid at the Applicable Rate of interest payable at the time of prepayment as hereinbefore set out; and

(b) the full amount of any reasonable cost, loss, expense, penalty or charge incurred or suffered by the Mortgagee as a result of such prepayment.

The Court concluded that the bonus was due despite any acts enforcing the security. In his reasons, Saunders J. stated that "No case was cited that supports the proposition that in exercising his equitable right to redeem, a mortgagor need only recognize his obligation to pay principal, interest and costs, and may ignore his other contractual obligations." Saunders J. ultimately decided that initiating proceedings to enforce security does not relieve the mortgagor of his contractual obligations, and therefore does not disentitle a mortgagee to the bonus provided for under the mortgage contract.

Saunders J. articulated his reasoning as follows:

Under the terms of the mortgage in this case, the mortgagor had permission to prepay principal in whole or in part upon payment of the prepayment amount. The prepayment amount provided compensation to the mortgagee similar to that provided by the rules of equity as codified in s. 17 of the *Mortgages Act*. As s. 17 overrides the mortgage contract, O'Shanter, upon default, could have given notice or made the payment provided for in s.17 and thus avoided the prepayment amount provided Gentra had not then realized on its security... If the submission of O'Shanter were to be accepted, a mortgagor with the same terms could avoid the prepayment amount simply by allowing the mortgage to go into default and forcing the mortgagee to take steps to realize on its security. Equity will on occasion relieve a mortgagor of the rigorous terms of a mortgage document, but that, in my opinion, is not the case here. A mortgagor should fulfill his proper contractual obligation as a condition of redemption.

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In *1259121 Ontario Inc. v. Canada Trust Co.*¹⁰, the Applications judge concluded that the three month interest bonus is collectible despite the fact that the mortgagee has taken steps to enforce. In *1259121 Ontario Inc.* the mortgage fell into default before the maturity date and as a result, the mortgagees served a Notice of Intention to Enforce Security and a Notice of Sale under Mortgage. In the discharge statement requested by the mortgagor, the mortgagees had included a three month interest bonus since the mortgagor had not provided three months written notice of its desire to pay off the mortgage. The mortgagor challenged the bonus. The debate revolved around a provision contained in the mortgage loan commitment rather than s. 17 of the *Mortgages Act*, which read as follows:

Provided the mortgagor, when not in default hereunder, shall have the privilege at any time after the date on which interest is adjusted to pay the whole principal sum secured at any time upon payment of an additional three months bonus of interest at the charge rate aforesaid.

The mortgagor argued that the prepayment clause only applied when the mortgagor attempted to force payment on the mortgagee and that, after issuing a Notice of Sale, the mortgagee had no right to call for additional interest.

Relying on the decision in *O'Shanter*, and after considering at length the principle that equity prevents a mortgagor from avoiding his obligations under the mortgage contract, the mortgagor's argument was rejected. The Applications judge concluded that "if the situation were to be otherwise... a mortgagor with the same terms could avoid the obligation to pay the three months charge simply by allowing the mortgage to go into default and forcing the mortgagee to take steps to realize on its security. A court of equity should not condone this."¹¹

In *Ialongo et. Al. v. Serm Investments Limited*¹², which was decided a day before *1259121 Ontario Inc.*, the Applications judge concluded that once a mortgagee has taken steps to enforce its security it can no longer rely on s. 17 of the *Mortgages Act* but rather it must turn to the terms of the mortgage. In *Ialongo*, the mortgage had matured and fallen into default. The mortgagors requested a discharge statement, in which the mortgagee included a claim for a three months interest bonus. Shortly thereafter, the mortgagee issued a Notice of Sale in which it claimed the bonus pursuant to s. 17 of the *Mortgages Act*. When considering the mortgagee's entitlement to the bonus after commencing enforcement proceedings, the Applications judge noted that there are contrasting decisions on this point. However, the Applications judge ultimately concluded that once a mortgagee takes steps to realize on his security, the amounts the mortgagee may demand from the mortgagor are those contained in the mortgage contract. Ultimately, the Applications Judge disallowed the three month bonus, thereby implying that the mortgage terms did not contain provisions relating to the interest bonus.

This reasoning and analysis has been upheld in the recent 2017 case of *2468390 Ontario Inc. v. 5F Investment Group Inc.*

¹⁰ [2007] 30 B.L.R. (4th) 193, 58 R.P.R. (4th) 58, 2007 CarswellOnt 1571 (Ont.S.C.J.) (hereinafter *1259121 Ontario Inc.*)

¹¹ *Ibid.* at para. 13.

¹² [2007] 54 R.P.R. (4th) 310, 2007 CarswellOnt 1246 (Ont.S.C.J.) (hereinafter *Ialongo*)

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Conclusion

If s. 17 of the *Mortgages Act* is unenforceable by a mortgagee once the mortgagee takes steps to realize on its security, the mortgagee is nonetheless able to enforce a contractual provision which requires payment of a three month interest bonus.

On the facts before the Receiver, there is a contractual provision in the First Mortgagees' Commitment which clearly requires payment of a three month interest bonus as a term of the discharge of the mortgage. Despite any act of enforcement on the part of the First Mortgagees that contractual term continues to be enforceable, even if s. 17 of the *Mortgages Act* ceases to be.

The opinions expressed herein are provided solely for the benefit of the party to whom it was delivered and may not be relied upon or used by any other person for any reason whatsoever.

Yours very truly,

MACDONALD SAGER MANIS LLP

A handwritten signature in cursive script that reads "Macdonald Sager Manis LLP".

HFM:sm

Exhibit "R"

RESCOM Capital
1670 Bayview Avenue, Suite 400
Toronto, Ontario M4G 3C2

T. 416.485.2636
F. 416.482.4043
www.rescomcapital.com

Broker Licence: 10822 C&K Mortgage Services Inc. O/A Rescom Capital

December 12, 2018

Ira Smith
Ira Smith Trustee & Receiver Inc.
6 - 167 Applewood Cres.
Concord, ON L4K 4K7

ira@irasmithinc.com

DISCHARGE STATEMENT

RE: First Mortgage on 558 Dovercourt Road, Toronto, ON

Dear Mr. Smith,,

The amount owing on the above mortgage is calculated as follows:

Principal as at	October 1, 2018				\$ 1,450,000.00
Interest to	November 1, 2018				9,666.67
Late Interest to	December 1, 2018				64.44
Interest to	December 1, 2018				9,666.67
Late Interest to	January 1, 2019				129.32
Interest to	January 1, 2019				9,666.67
Late Interest to	January 31, 2019				130.18
Interest to	January 31, 2019	31 Days @	\$	317.81	9,666.67
3 Month Interest penalty					29,000.01
Statement Fee					200.00
Late payment Fees	3 @	\$200 each			600.00
Administration Fee	2 Hours @	\$300			600.00
Total Due and payable to C&K Mortgage Services Inc.					\$ 1,519,390.63

Per diem \$ 326.36 if payment not received by 1 PM.

This statement is valid until February 11, 2019

Please prepare a discharge and forward to us for signing.

Yours truly,

C & K Mortgage Services Inc. O/A Rescom Capital

Eric Kis
Controller
eric@rescomcapital.com

e&oe



BY EMAIL (ira@irasmithinc.com)

Ira Smith Trustee & Receiver Inc.
 167 Applewood Cres. Suite 6
 Concord, Ontario
 L4K 4K7

Attention: Ira Smith

Grant Thornton Limited
 11th Floor
 200 King Street West, Box 11
 Toronto, ON
 M5H 3T4
 T +1 416 366 0100
 F +1 416 360 4949

December 12, 2018

Dear Mr. Smith:

**RE: Receivership of 2546456 Ontario Inc. (Court File No. CV-18-601199-00CL)
 Payout Statement – 558 Dovercourt Road, Toronto, Ontario**

As requested, included below is a schedule detailing the amount owing to Money Gate Mortgage Investment Corporation (“MGMIC”) with respect to the second mortgage registered as AT4588484 (the “**Second Mortgage**”) on June 5, 2017 granted by 2546456 Ontario Inc. (the “**Debtor**”) in favour of MGMIC against the real property located at 558 Dovercourt Road, Toronto, Ontario¹ (the “**Property**”). The Second Mortgage was registered pursuant to the residential second mortgage agreement between MGMIC and the Debtor dated May 25, 2017 (the “**Mortgage Agreement**”).

The total amount due to MGMIC with respect to the Second Mortgage on the Property totals \$768,161.45 (the “**Outstanding Amount**”) as at December 11, 2018, consisting of:

Principal Balance	\$ 611,000.00
Outstanding Interest Payments – 497 days x \$200.88 per day ²	99,835.73
Default Interest Penalty – <i>Mortgages Act</i> , R.S.O. 1990, c. M.40, s. 17(1)	18,330.00
Enforcement Costs – Legal Fees (inclusive of HST)	10,145.72
<u>Mortgage Agreement – Schedule “C” Fees</u>	
Mortgage Default Fee ³	26,550.00
Possession Fee	1,500.00
Demand Letter Fee	300.00
Notice under the BIA	150.00
Discharge Statement Fee	350.00
Outstanding Amount	\$ 768,161.45

¹ Legal description of the Property: PT LT 24 PL D262 TORONTO AS IN CA474878; CITY OF TORONTO

² Last interest payment made was due on August 1, 2017 and remitted to MGMIC on August 3, 2017; per diem interest rate equates to \$200.88

³ Missed interest payments (15) x \$250 per missed payment plus daily outstanding fee of \$50 per day

Please issue payment for the Outstanding Balance via certified cheque payable to:

**Grant Thornton Limited, Court-appointed receiver and manager of
Money Gate Mortgage Investment Corporation**
11th Floor, 200 King Street West, Box 11
Toronto, Ontario
M5H 3T4

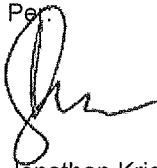
Attention: Charles Skelton

Should you have any questions regarding the contents of this letter, please contact Charles Skelton of the Receiver's office at 416-607-4561 or Charles.Skelton@ca.gt.com.

Yours very truly,

GRANT THORNTON LIMITED,
solely in its capacity as the Court-appointed receiver and manager
of Money Gate Mortgage Investment Corporation
and not in its personal or corporate capacity

Per:



Jonathan Krieger CPA, CPA, CIRP, LIT
Senior Vice President

Encl.



Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

May 25th, 2017

Residential SECOND Mortgage

Based upon and subject to the accuracy of information furnished to us, we undertake to provide the mortgage financing, subject to the following terms and conditions set out below, and on Schedules "A" & "B" & "C" & "D" (if applicable), which schedules forms part of this Commitment.

Type of Mortgage: Residential Second Mortgage
Lender: Money Gate Mortgage Investment Corporation

Main Borrower: 2546456 Ontario Inc.
Guarantor: Rouzbeh Behrouz

Loan Amount: \$611,000.00
Subject Property Address: 558 Dovercourt Road, Toronto Ontario, M6H 2W6

Term (Months)	Interest Rate	Interest PMT	Funding Date	Amortization (Months)	Lending Fee	Non Refundable Deposit
12	12.00%	\$6,110.00	May 29 th , 2017	Int. Only	2.00%	N/A

By signing this commitment you are acknowledging that the interest adjustment date may change if the final funding date changes.

Payments due under this mortgage will be made by a pre-authorized payment debit system. This mortgage will be paid monthly unless otherwise indicated by the Borrower and authorized by the lender on the Schedule A attached herein.

Additional Costs:

Legal Fees & Disbursements
 Appraisal

Your acceptance of this Commitment will be your undertaking to pay these costs together with all legal costs and fees incurred, whether or not this Charge/Mortgage is advanced. Please reference registered Standard Charge Terms No. 200433(ON) which form part of this commitment.

Initials:

R.B



Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

SOLICITOR – will be appointed to act on our behalf in this transaction. All documentation including, but not limited to, delivery of evidence confirming valid title insurance with applicable schedules from a title insurer approved by the lender and fire insurance must be acceptable to use prior to the advance of funds. Prior to closing, the solicitor is instructed to notify the lender or an agent approved by us, and the relevant underwriting department of the title insurer, of any concerns the solicitor may have regarding the identity of the borrower, the validity of prior registered instruments (particularly transfers and discharges), and any other matters that may affect the title of the subject property and/or the enforceability or priority of the lender’s mortgage. In these circumstances, the solicitor may not proceed to complete the transaction until such time as the solicitor has obtained both the title insurer’s and the lender’s written authorization to proceed.

IN ALL MATTERS, TIME SHALL BE OF THE ESSENCE.

This commitment is open for your acceptance until the Commitment Acceptance Date after which time/date this Commitment will be null and void. This Commitment, if accepted is valid until the Final Funding Date after which time/date this Commitment will be null and void. If the Commitment becomes null and void and the Commitment Fee has already been paid, the non-refundable portion of the Commitment becomes null and void and the Commitment Fee has damages and the balance of the Commitment Fee, if any, returned to the Borrower(s). If the Commitment becomes null and void and the Commitment Fee has not already been paid, the non-refundable portion of the Commitment Fee set out above will be due by the Borrower(s) to Money Gate Corp. as liquidated damages.

FINAL ACCEPTANCE DATE: May 27th, 2017

Accepted this 26 day of May, 2017

X 
2546456 Ontario Inc.

X 
Rouzbeh Behrouz

Initials:

R.B.	
------	--



Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

Schedule "A"

Mortgage No.: 2017-4
Mortgagor(s)/ 2546456 Ontario Inc.
 Rouzbeh Behrouz

PLEASE NOTE: Funds for this Loan will not be advanced by the lender until all of the following conditions are met and maintained until funding. Money Gate Corp. may terminate the Commitment or decline to advance all or any part of the Mortgage until these conditions are satisfied to the lender's satisfaction.

This Commitment Is subject to:

Original Appraisal of the subject property satisfactory to the reflecting a value of \$2,425,000.00. (Broker)

A new credit bureau will be run 30 days prior to the advance of funds. The credit must remain the same as or be better than the credit bureau run at the date of approval of the transaction. Should the credit not remain the same, this commitment will be subject to review and terms and conditions may be changed accordingly. (Broker)

Prior to closing, it is a condition of this commitment that the mortgage broker provides a copy of the Borrower Disclosure Statement fully executed by all parties involved. (Broker)

Executed Mortgage Loan Application for ALL Mortgagor(s) and Guarantor(s). (Broker)

1st Mortgage statement for the subject property showing a balance of no more than \$1,450,000.00. (Broker)

Prior to funding, we require evidence by way of Statutory Declaration from the Mortgagor(s) that the premises being mortgaged are not and never have been insulated with Urea Formaldehyde Foam Insulation. (Solicitor)

All realty/provincial and municipal real property taxes/local improvements shall be paid by borrower and up to date prior to closing or from advancement of funds. (Solicitor)

Solicitor to provide a clear Execution Certificate with the Final Report with a Marital Status declaration. (Solicitor)

It is a condition of this commitment that the solicitor confirms that (i) they have reviewed and verified the identity of the mortgagor(s) and any spouse consenting to the mortgage by means of 2 pieces of identification (one MUST be Primary Identification) acceptable to the mortgagee (ii) the identification appears to be genuine (iii) the identification belongs to the mortgagor(s) and consenting spouse and (iv) copies of the identification showing a true likeness of the originals will be submitted to the mortgagee. The lenders accepted forms of identification will be communicated to the solicitor upon instruction. (Solicitor)

If the loan is not repaid on maturity, a 3-month interest bonus will be paid to the Lender pursuant to Section 17 of the Mortgage Act.

Initials:

R.B





Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

Payment in Full on Sale

The outstanding amount of the mortgage loan may be prepaid only at the closing of a bona fide open market sale of the property and the payment of the Prepayment Charge as set out below

Prepayment Charge

Open with 3-Month Interest Penalty

Initials:

R.B



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Schedule "B"

Payment By Pre-Authorized Debit:	The Borrower(s) agree(s), by acceptance of this Commitment to provide the mortgage payments by Pre-Authorized Debit payable to Money Gate Corp. In Trust
Accrued Interest:	Accrued interest calculated from the date that this mortgage is advanced to the interest Adjustment Date will be deducted from the gross funds advanced. The Interest Adjustment Date is set one month prior to the First Payment Date.
Assignment of Commitment:	Neither this Commitment nor the proceeds of the Charge/Mortgage loan are assignable by the Borrower(s) without express written consent.
Credit Rating:	Receipt of an updated credit rating acceptable to the lender. The credit rating must be the same or better than the rating obtained with this Commitment was given. In the event the credit rating is less favourable, the terms and conditions of this Commitment will be subject to revision and the Loan may not be advanced.
Legal & Other Costs/Fees:	All legal, appraisal, title insurance and fire insurance premiums and other costs and fees incurred in connection with this Loan (including those identified on the first page of this Commitment) are payable by the Borrower(s) whether or not this Loan ultimately is completed and the funds advanced.
Regulations:	Confirmation, in form and substance satisfactory to the lender that the property complies with all municipal, provincial and federal statutes, regulations and requirements. This requirement is waived by delivery of the title insurance policy with applicable schedules covering such compliances matters.
Prepayment Restrictions:	It is intended and agreed that the Charge/Mortgage loan may not be prepaid prior to the maturity date unless provided herein as a privilege. See All Loans Prepayment.
Taxes:	All realty/provincial and municipal real property taxes/local improvements shall be paid by borrower and up to date prior to closing.
Purchaser Approval:	The may require that the Loan be immediately repaid with the applicable prepayment indemnity if the Borrower(s) sell(s), transfer(s) or otherwise dispose(s) of the property or any interest therein to a purchaser not approved by the lender.
Standard Charge Terms:	The Charge/Mortgage is deemed to contain all clauses included in registered Standard Charge Terms No. 200433 (Ontario) and Schedule "C" Schedule of Fees. Each Borrower(s) and Guarantor(s) acknowledge receipt of a copy of the applicable Standard Charge Terms.
Rent and Management:	PROVIDED also and it is hereby further agreed by and between the Borrower and the Lender(s) that should default be made by the Borrower in the observance or performance of any of the covenants, provisos, agreements or conditions contained in this charge, the charge reserves the rights to enter into the said lands and premises and

Initials:



Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

to receive the rents and profits and to be entitled to receive in addition to all other fees, charges and disbursements to which the charge is entitled. A management fee so as to reimburse the charge for reasonable item and trouble in the management of the said lands and premises. It is being understood and agreed that in the circumstances a management fee equal to 5% of the gross receipt received by the charge in the management of the said lands and the premises is just an equitable fee having regard to all of the circumstances.

Schedule of Fees:

A schedule of our current servicing administration fees that will apply to the mortgage is provided in Schedule "C".

Renewal Options:

Available subject to approval of the lender if all mortgages are in good standing based on new terms and condition.

Money Gate Corp. reserves the right to charge reasonable fees for other administrative services and to amend its fees from time to time.

Initials:

R.B



Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

Schedule "C"

Our current schedule of administration and servicing fees includes the following charges:

- \$250.00 – Missed Payment Fee: Payable for each missed or late installment and for processing each NSF cheque or other returned payment. Plus \$50 for each additional day until the cheque in the sufficient amount is provided and cleared.
- \$250.00 – Insurance: Payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements.
- \$1,500.00 – Default Proceedings: Payable for each act or proceeding instituted.
- \$175.00 – Mortgage Statements: For preparation of each statement.
- \$300.00 – Purchaser Approval: For processing each application for assumption, whether or not approved or completed.
- \$500.00 – Possession: For attending to take possession following default.
- \$300.00 – Demand Letter: For each demand letter in connection with any event of default under the Mortgage.
- \$150.00 – Notice under the Bankruptcy and Insolvency Act.
- \$150.00 – Notice under the Farm Debt Mediation Act.
- \$100.00 – Maintenance: For administration maintenance and security of the property in our possession, per day.
- \$350.00 – Discharge Statement: For discharge on one property. \$175 for each additional property.
- \$100.00 – Tax and CAM Default Fee: For failure by the Borrower to provide satisfactory confirmation of tax payments and or CAM fees.
- \$200.00 – Annual Tax Account Administration Fee: For administering and servicing the tax account.
- \$200.00 – Annual CAM Account Administration Fee: For administering and servicing the condo account.
- \$200.00 – For any inspection of the said property as a result of enforcement for security.
- \$300.00 – Servicing Fee: For any payment the Chargee is called to make in order to protect its security

Initials:

R.B



Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

Schedule "D"

Disclosure of Material Risks

This mortgage provides the Lender with an interest until the borrower(s) repay the Loan. If the borrower(s) require the loan by a certain date and the Lender does not advance the loan by that date, the borrower(s) may be unable to satisfy their intended purpose for the loan. In the event the borrower(s) are unable to pay the monthly interest payments, realty taxes, fire insurance premiums or the loan amount when the loan is due, the Lender could obtain a court judgement and the borrower(s) assets and income could be seized to pay the judgment, or the Lender could keep the Lands or sell it. When the loan is due, if the Lender cannot or will not renew the Loan and borrower(s) no longer qualify for a loan of this amount because interest rates have risen, their income has fallen, their credit worthiness has deteriorated or the value of the lands has fallen, the lands may have to be sold in order to repay the loan. The borrower(s) acknowledge that Money Gate Corporation has, in accordance with a legal obligation, disclosed the material risks of the loan. The borrowers hereby accept the Commitment and confirm their agreement with all of the terms and conditions hereof, having either obtained legal advice independent of Money Gate Corporation or having been satisfied that legal advice is not required.

Initials:

R.B.



Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

Direction and Authorization
RE: 2546456 Ontario Inc., Rouzbeh Behrouz
558 Dovercourt Road, Toronto, Ontario M6H 2W6

Name and telephone contact of Mortgage/Bank/Lawyer for information on your existing mortgage(s)

1st Mortgage of Subject Property:

Lender: _____

Mortgage Account: _____

Phone #: _____

Fax #: _____

2nd Mortgage of Subject Property (if applicable):

Lender: _____

Mortgage Account: _____

Phone #: _____

Fax #: _____

Name and telephone contact of Insurance Agent/Broker

Name: _____

Policy #: _____

Phone #: _____

Fax #: _____

Property Tax Information:

Roll #: _____

Phone #: _____

Fax #: _____

I/We, 2546456 Ontario Inc., Rouzbeh Behrouz, the proposed mortgagor(s) with respect to the above referenced transaction, hereby authorize you to release any and all records and information requested by Money Gate Corp. and/or it's solicitor for a period of five (5) years from the undersigned date, pertaining to property, accounts, building, zoning, fire and health issues, and a mortgage statement for discharge or information purposes. This is your full and sufficient authority so to do.

Dated at Toronto this 26 day of May 2017

X
2546456 Ontario Inc.

X
Rouzbeh Behrouz

Initials: R.B



Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

Property Owner's Name: _____

Property Address: _____

Tax Roll #: _____

Yearly Tax Levy: _____

I/We the undersigned being the owner(s) of the above noted property hereby authorize and direct Money Gate Corp. to collect and pay my/our property taxes if instructed by lender to do so, and further authorize you to furnish any and all property tax bills to:

Money Gate Corp. - License # 12290
 25 Mallard Road
 Toronto, Ontario, M3B 1S4
 T: (416) 548-5959
 F: (416) 913-0087

This shall be your good, sufficient and irrevocable authority so to do.

Dated at Toronto this 26 day of May 2017

X 

 2546456 Ontario Inc.

X 

 Rouzbeh Behrouz

Initials:

R. B	
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Exhibit "T"

Court No: CV-18-601199-00CL

Estate No: 31-458521

Receiver's Interim Statement of Receipts and Disbursements**IN THE MATTER OF THE RECEIVERSHIP OF****2546456 ONTARIO INC.****FOR THE PERIOD FROM JUNE 30, 2018 TO DECEMBER 10, 2018****RECEIPTS**

Rental Income	35,800.00
Interest	1.17
Cash in Bank	1,605.29
Refund of Surplus Insurance Premium	56.08

TOTAL RECEIPTS:**\$ 37,462.54****DISBURSEMENTS**

Filing Fee	70.00
Insurance	2,075.86
Bank Charges	37.86
Maintenance and Repairs	1,887.99
Receiver's Fee	13,752.01
HST Paid	1,807.26
Appraisal	750.00
Utilities (Water/Wastewater & Solid Waste)	498.84

TOTAL DISBURSEMENTS**\$ 20,879.82****BALANCE ON HAND AS AT DECEMBER 10, 2018****\$ 16,582.72**

Court File No. CV-18-601199-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicants

and

2546456 ONTARIO INC.

Respondents

**AFFIDAVIT OF BRANDON SMITH
(Sworn December 15, 2018)**

I, Brandon Smith, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Senior Vice-President of Ira Smith Trustee & Receiver Inc. ("ISI"), the court-appointed receiver (the "Receiver") of the Real Property of 2546456 Ontario Inc. (the "Debtor"). As such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. ISI was appointed Receiver of the Real Property (as defined in the Receivership Order) including and all proceeds therefrom, of the Debtor pursuant to an Order of the Ontario Superior Court of Justice dated July 30, 2018 (the "**Receivership Order**").
3. Pursuant to paragraph 18 of the Receivership Order, the Receiver and its legal counsel are required to pass their accounts from time to time.

4. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a summary of the fees charged and accounts rendered by the Receiver in respect of the proceedings (the "**Accounts Summary**") for the period from June 6, 2018 to December 13, 2018 (the "**Time Period**"). A copy of the invoice rendered by the Receiver and referenced in the Accounts Summary is attached to this my Affidavit as **Exhibit "B"**.

5. The Receiver has filed its First Report with this Honourable Court, which outlines, among other things, the Receiver's overall actions and activities since July 30, 2018.

6. A total of 79.6 hours were expended by the Receiver in connection with this matter during the Time Period, giving rise to fees totaling \$31,575.00 (excluding HST) for an average hourly rate of \$396.67 and allocated approximately as outlined in the Accounts Summary.

7. To the best of my knowledge, the rates charged by the Receiver throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Greater Toronto Area for the provision of similar services.

8. The hourly billing rates outlined on the Accounts Summary are the normal hourly rates charged by the Receiver for services rendered in relation to similar proceedings.

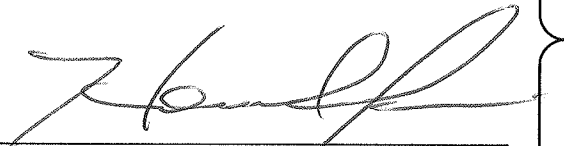
9. I verily believe that the Receiver's accounts are fair and reasonable in the circumstances.

10. Attached as Exhibit "B" to the Affidavit of Lauren Sigal sworn December 14, 2018 and filed in support of the within motion are copies of a pre-bill account rendered by MacDonald Sager Manis LLP ("**MSM**"), counsel to the Receiver, for the period from November 6, 2018 to December 14, 2018.


11. MSM has rendered services throughout these proceedings consistent with instructions from the Receiver, the Receiver has approved all such accounts and I verily believe that the fees and disbursements of MSM are fair and reasonable in the circumstances.

12. The said Affidavit is sworn in connection with the Receiver's motion to have, among other things, its fees and disbursements approved by this Honourable Court and for no improper purpose.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario,
on December 15, 2018.



A Commissioner for taking affidavits



Brandon Smith

**FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
2546456 ONTARIO INC.**

June 6, 2018 to December 13, 2018

Staff Member	Title	Total Hours	Hourly Rate (\$CDN)	Amount Billed (\$CDN)
Ira Smith MBA CPA CA•CIRP, LIT	President	23.0	450.00	10,350.00
Brandon Smith, BA CIRP, LIT	Senior Vice-President	56.6	375.00	21,225.00
Total		<u>79.6</u>	Average hourly rate of \$396.67	31,575.00
Disbursements				<u>1,638.23</u>
				<u>33,213.23</u>

This Exhibit A referred to in the
Affidavit of BRANDON SMITH
Sworn before me this 15 day of DEC, 2018


A Commissioner, etc.

This Exhibit 3 referred to in the
 Affidavit of BRANDON SMITH
 Sworn before me this 15 day of DEC, 2018

[Signature]
 A Commissioner, etc.



167 Applewood Cres. Suite 6, Concord, ON L4K 4K7
 Phone: 905.738.4167
 Fax: 905.738.9848
 irasmithinc.com

R-Dovercourt

December 14, 2018

GST/HST # 86236 5699

**IN THE MATTER OF THE RECEIVERSHIP OF
 2546456 ONTARIO INC.**

For professional services rendered for the period from June 6, 2018 to December 13, 2018 inclusive, in acting as Receiver of 2546456 Ontario Inc. in accordance with the Order of the Ontario Superior Court of Justice (Commercial List) dated July 30, 2018 as follows (detail attached):

<u>Staff</u>	<u>Hourly rate</u>	<u>Hours</u>	
I. Smith, President and Trustee	\$450	23.0	
B. Smith, Senior Vice-President and Trustee	\$375	<u>56.6</u>	
		<u>79.6</u>	
			\$ 31,575.00

Disbursements:

Postage/Fax	\$ 13.21		
Parking/Mileage/Travel	192.52		
Web Hosting/Receivership Webpage	1,412.50		
Courier	<u>20.00</u>		
			<u>1,638.23</u>
			\$ 33,213.23
		HST	<u>4,317.72</u>
			<u>\$ 37,530.95</u>
Less Advance			<u>(15,539.77)</u>
			<u>\$ 21,991.18</u>

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 06/05/2018 to 12/13/2018

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
R-Dovercourt	In the Matter of the Receivership of 2546456 Ontario Inc.					
		6/5/2018	Brandon Smith	0.5	mtg w/ Payam to discuss basic framework of receivership ops, current situation at property, note to file	187.50
		7/24/2018	Ira Smith	0.2	Rvw of David Preger draft blackline Order	90.00
		7/24/2018	Ira Smith	0.7	Conf call w Payam and David Brooker re amendments to Preger draft Order, changes to draft Order, email to David and Payam re same	315.00
		7/24/2018	Ira Smith	0.2	Rvw of further turn of draft order, email comments to David Brooker and Payam	90.00
		7/25/2018	Brandon Smith	1.0	email to Payam re req'd docs; receive and review docs from Payam, prep rent roll, email to Payam re additional information	375.00
		7/30/2018	Brandon Smith	0.5	review corresp from realestate agent; email w/ ira, vm for Perkins appraisal; update terranet search	187.50
		7/31/2018	Brandon Smith	1.5	emails and calls w/ Payam re keys and minutebook; email to insurer to be added as named insured; draft letter to freeze bank account; draft letter to attorn rent; finalize letters for in-person service; email letter to storage tenant	562.50
		7/31/2018	Brandon Smith	3.0	prep for, travel to from and attend at premises to serve tenants w/ notice of appt; vm from and call w/ unit 1 occupant; draft memo to file re call and attendance; research RTA re M2M /overhold rights	1,125.00
		7/31/2018	Brandon Smith	0.5	review minutebook and corp profile for 254 re	187.50
		7/31/2018	Brandon Smith	0.2	officers/directors/shareholders; email to Payam re other parties to put on notice	
		7/31/2018	Brandon Smith	0.2	call w/ insurance broker to f/u on email	75.00
		7/31/2018	Ira Smith	0.2	Telcon w. D. Brooker re independent legal counsel	90.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 06/05/2018 to 12/13/2018

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
R-Dovercourt	In the Matter of the Receivership of 2546456 Ontario Inc.	7/31/2018	Ira Smith	0.2	Email to J. Gorber w. attachments to set up website page for Dovercourt	90.00
		8/1/2018	Brandon Smith	1.2	review emails from Brooker re Ricci; call w/ Brooker; draft letter and send to Ricci/Karp	450.00
		8/1/2018	Brandon Smith	0.4	mtg w/ Payam to get keys etc	150.00
		8/1/2018	Brandon Smith	1.2	; email from Brooker re registration of order on title; draft letter to provide to other officers and directors of dtr; travel to from and attend at hardware store to duplicate key	450.00
		8/1/2018	Ira Smith	0.4	Rvw of realtor proposal and listing agreement, amendments to listing agreement, email to Payam et al re amendments	180.00
		8/1/2018	Ira Smith	0.2	Email from and to Payam re first mortgage payment	90.00
		8/1/2018	Ira Smith	0.2	Telcon from Payam re front tenant, repair requests, post dated cheques	90.00
		8/1/2018	Ira Smith	0.2	Telcon from Eli Karp re his client 2496050 Ontario Inc. who owns 50% of the shares of Dovercourt owner, he may get instructions to apply to Court to terminate receivership, discussed status and his request for motion material	90.00
		8/1/2018	Ira Smith	0.4	Mtg w. Payam and B. Smith re PD cheques in his possession and his views on Receiver's amendment to listing agreement	180.00
		8/1/2018	Ira Smith	0.3	Rvw and changes to BIA statutory notice, signing of report	135.00
		8/1/2018	Ira Smith	0.2	Email from and to Payam re realtor listing agreement	90.00
		8/1/2018	Ira Smith	0.2	Email to and from E. Karp and forwarding email string to D. Brooker	90.00
		8/1/2018	Ira Smith	0.3	Telcon from D. Brooker re E. Karp indicating he is seeking instructions to terminate receivership	135.00
		8/2/2018	Brandon Smith	0.3	DRAFT AND SWEAR AFFIDAVIT RE MAILING OF BIA NOTICE	112.50

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 06/05/2018 to 12/13/2018

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
R-Dovercourt	In the Matter of the Receivership of 2546456 Ontario Inc.	8/2/2018	Brandon Smith	0.4	draft 2nd demand to unit 2 tenant	150.00
		8/2/2018	Brandon Smith		prep for and travel to from and attend at premises for meeting w/ appraiser and realtor; drop notice of appointment off at	0.00
		8/2/2018	Brandon Smith	3.2	travel to from and attend at property for appraisal; discussion w/ tenants; mtg w/ Afshin	1,200.00
		8/3/2018	Brandon Smith	0.5	emails w/ C. Leduc re rent payment	187.50
		8/5/2018	Brandon Smith	0.3	email from Afshin re access and reply; email from Payam re ops and reply re contemporaneous w/ Gary	112.50
		8/7/2018	Brandon Smith	0.2	rvw email from Payam re pmt to Gary and respond re cant waive order provisions	75.00
		8/7/2018	Brandon Smith	1.0	update rent roll/banking re unit 1 rent; memo re site visit; review carrine's payments and corresp; review property tax/util corresp; email to city of Toronto re mailing address	375.00
		8/7/2018	Brandon Smith	0.7	call from Y.E. (tenant), had to calm her down b/c of comments made by Afshin on Thursday; rqsted draft lease so we can enter into documented tenancy to April 2019; rvw RTA/LTA forms and obligations	262.50
		8/8/2018	Brandon Smith	1.4	receive email from unit 1 tenant with draft lease, draft standard lease on LTB format that reflected parties intentions and receiver's requirements; circulate lease to tenants; discuss lease terms with IS; review IS proposed update to 1st & 2nd mtg	525.00
		8/8/2018	Brandon Smith	0.4	call from CRA re company; rcv updated insurance binder w/ rcvr named	150.00
		8/8/2018	Ira Smith	0.6	Rvw of communications and compilation of reporting to secured creditors, email reporting to secured creditors	270.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 06/05/2018 to 12/13/2018

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
R-Dovercourt	In the Matter of the Receivership of 2546456 Ontario Inc.					
		8/9/2018	Brandon Smith	0.5	rvw email from front tenant re section 13 of lease and respond	187.50
		8/9/2018	Brandon Smith	0.5	call w/ Afshin re access/tenants/lease; email re similar; prep to attend at business of storage tenant re no proper reply to our letter	187.50
		8/9/2018	Brandon Smith	0.2	emails w/ TD re bank account	75.00
		8/10/2018	Brandon Smith	1.7	travel to from and attend at premises of storage tenant to give third notice of our appt, court order, stop pmt, lease and pd chqs	637.50
		8/13/2018	Brandon Smith	0.2	call w/ and brief mtg w/ Afshin	75.00
		8/20/2018	Brandon Smith	0.2	email from and reply to Payam re co's receipt of july rent for storage; rcv and rvw corresp from storage tenant	75.00
		8/20/2018	Brandon Smith	0.3	execute and return unit 1 lease; discussion w/ I smith re appliances	112.50
		8/20/2018	Ira Smith	0.2	Telcon w. ilan re appliance repairs for front unit, his referral to me of another appliance repair person	90.00
		8/20/2018	Ira Smith	0.7	Rvw of Afshin email w. MLS listing agreement and other docs, rvw, changes and signing of MLS listing agreement, drafting Sched C for MLS listing and any APS, email to Afshin attaching amended MLS listing agreement and Sched C w. instructions	315.00
		8/21/2018	Brandon Smith	0.2	email from tenant and reply re appliance tech	75.00
		8/21/2018	Ira Smith	0.2	Telcon w. ilan appliance repair re attending at Dovercourt to inspect and if possible repair front unit appliances	90.00
		8/21/2018	Ira Smith	0.7	Rvw of MLS listing and link, rvw of virtual tour link, amendments to receivership webpage for listing and virtual tour	315.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 06/05/2018 to 12/13/2018

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
R-Dovercourt	In the Matter of the Receivership of 2546456 Ontario Inc.	8/22/2018	Brandon Smith	0.3	CORRESP W/ TENANT RE APPLIANCE TECH; EMAIL REMINDER TO REAR TENANT	112.50
		8/22/2018	Ira Smith	0.4	Second report email to secured creditors with updated information	180.00
		8/24/2018	Ira Smith	0.1	Telcon w. and instrs. To ilan re appliance repair for washing machine door, front tenant	45.00
		8/24/2018	Ira Smith	0.1	Telcon w. Smile Appl's re upcoming repairs to front tenant dishwasher	45.00
		8/27/2018	Brandon Smith	0.4	corresp w/ insurance broker re payment on policy after account closed; issue and send pmt	150.00
		8/29/2018	Brandon Smith	0.2	respond to Afshin enquiry re tenants	75.00
		8/30/2018	Brandon Smith	0.6	further reply to Afshin and draft ltr to unit 2 re non payment of rent	225.00
		9/4/2018	Brandon Smith	0.4	review offer from Afshin, make markup comments; call w/ Afshin re offer	150.00
		9/4/2018	Brandon Smith	0.3	VM from and reply email to Afshin re HST and writeback	112.50
		9/4/2018	Ira Smith	0.8	Rcpt and rvw of Afshin email w. Melo offer, email to Afshin re timing t speak today, rvw of Melo offer, amendments to Melo offer	360.00
		9/4/2018	Ira Smith	0.6	Further markups, telcon w. Afshin	270.00
		9/4/2018	Ira Smith	0.8	Final revisions to Melo APS, signing of signback of Melo APS, email to Afshin w. summary of major amendments	360.00
		9/16/2018	Ira Smith	0.6	Rvw of 2220193 ONTARIO LIMITED (MELO 2) OFFER 091618 and email to Afshin	270.00
		9/17/2018	Brandon Smith	0.2	perusal of offer and call w/ Afshin/ira	75.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 06/05/2018 to 12/13/2018

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
R-Dovercourt	In the Matter of the Receivership of 2546456 Ontario Inc.	9/17/2018	Ira Smith	0.4	Telcon w. Afshin and B. Smith re 2220193 offer, email to secured creditors re same and status	180.00
		9/17/2018	Ira Smith	0.4	Emails from and to Payam K. re August unpaid invoice and Receiver's Certificate #1 borrowing and Money Gate's change of heart to fund	180.00
		9/19/2018	Brandon Smith	0.2	corresp w/ front tenant re appliances	75.00
		9/20/2018	Brandon Smith	0.2	corresp w/ rear tenant re rent due on the 1st	75.00
		9/24/2018	Ira Smith	0.1	Email to Afshin, requesting report of activities as at Sept 30	45.00
		9/24/2018	Ira Smith	0.3	Email report to sec creds on property tax bill, status of 2 offers to purchase, request made of realtor for report as at Sept 30	135.00
		9/25/2018	Brandon Smith	0.4	pull current terranet, rvw prior reports, o/s mtge principal and appraisal report, memo to file re afshin's recommendation to lower sale price and our opinion re viable listing	150.00
		9/28/2018	Ira Smith	0.6	Email from Afshin w. status report and strategy recommendations, rvw of same, email to Afshin w. 11 points raised regarding marketing and strategy recommendations	270.00
		10/12/2018	Brandon Smith	0.3	rcv, rvw water/waste bill, issue pmt	112.50
		10/16/2018	Brandon Smith	0.8	rvw 1.9M offer and corresp w/ Afshin; call with Afshin re HST confusion; revise schedule C and instruct Afshin	300.00
		10/16/2018	Ira Smith	0.7	rvw of 2220193 offer of \$2.2 and marking of amendments	315.00
		10/17/2018	Brandon Smith	1.6	rvw 2.2 offer from melo; discussions w/ Ira; heads up call to Afshin; prep and send writeback	600.00
		10/17/2018	Brandon Smith	1.0	email re no heat, email to HVAC contractor; calls w/ Afshin; further discussion w/ ira, decide to push for highest and best, send email and instructions w/ draft to Afshin	375.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 06/05/2018 to 12/13/2018

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
R-Dovercourt	In the Matter of the Receivership of 2546456 Ontario Inc.	10/17/2018	Brandon Smith	0.8	calls w/ Afshin re 1) negotiations w/ Melo; 2) circulate draft HST indemnity and call w/ Lawyer Khusla re uddin HST	300.00
		10/17/2018	Ira Smith	1.2	Telcon w. B. Smith re amendments to be made to offer, email to secured creds re offer	540.00
		10/18/2018	Brandon Smith	0.4	email from Afshin re melo insistence on seeing lease, redact and send leases.	150.00
		10/19/2018	Brandon Smith	1.2	email from Afshin with Uddin offer, email to advise to lean on Melo as we have offer; write back Uddin offer; call w/ Afshin to advise of writeback; rvw emails re survey	450.00
		10/21/2018	Brandon Smith	0.3	email from Afshin rqst clarification re terms of sched c, and reply	112.50
		10/23/2018	Brandon Smith	0.3	rvw melo offer that struck schedule C contents and reject offer, advise Afshin accordingly	112.50
		10/24/2018	Brandon Smith	0.5	email from Afshin re rejected offer and reply; rvw inv re no heat svc call and issue pmt	187.50
		10/24/2018	Brandon Smith	0.3	update record of offer received	112.50
		10/26/2018	Brandon Smith	0.4	advise front unit that dishwasher is irreparable, request pictures of washer and data plate; investigate replacements options; advise Afshin to reinforce why we cant agree to terms that schedule appliances	150.00
		10/29/2018	Brandon Smith	1.0	travel to from and attend at appliance store to purchase replacement dishwasher and arrange for delivery and install	375.00
		10/29/2018	Ira Smith	0.2	Email report to secured creds	90.00
		10/30/2018	Brandon Smith	0.3	email exchange w/ rear tenant re rent and dryer	112.50

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 06/05/2018 to 12/13/2018

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
R-Dovercourt	In the Matter of the Receivership of 2546456 Ontario Inc.					
		11/1/2018	Brandon Smith	1.0	email from Afshin w/ Tony's clients latest offer; review and markup, email to Afshin to clarify intentions re tenants, call w/ Afshin, further alterations, memo, sign and transmit w/b	375.00
		11/2/2018	Brandon Smith	2.2	email from Afshin re melo writeback of our writeback; review, markup; discuss w/ I smith; prepare counter; sign send to Afshin and call w/ Afshin	825.00
		11/2/2018	Brandon Smith	0.3	call to schedule install of a dishwasher; email to tenants re install and smoke detector inspection	112.50
		11/2/2018	Ira Smith	1.3	Discussions w. B. Smith re today's writeback, rvw of suggested amendments and agreement thereto, email to Afshin re changes and that we will call soon, telcon w. Afshin and B. Smith re changes	585.00
		11/2/2018	Ira Smith	0.2	Telcon w. Ian re need to do dryer repair for rear tenant	90.00
		11/4/2018	Brandon Smith	0.3	rvw email from Afshin re accepted offer; review accepted offer and reply	112.50
		11/5/2018	Brandon Smith	3.2	travel to from and attend at site to facilitate d/w install; u/d tenants; perform smoke alarm inspection; email w/ main to initiate retainer	1,200.00
		11/5/2018	Brandon Smith	0.3	email to lawyer re direction letter and f/u re deposit	112.50
		11/6/2018	Brandon Smith	0.2	call w/ h Manis re acting for rcvr	75.00
		11/6/2018	Brandon Smith	0.7	call w/ purch solicitor; f/u deposit w/ Afshin; execute consent for purchaser; draft transmittal	262.50
		11/8/2018	Brandon Smith	0.1	call from Afshin re are we using lawyer - adv yes b/c need court approval, will provide details once deal is firm	37.50
		11/9/2018	Brandon Smith	2.0	travel to from an attend at property to replace malfunctioning life safety device	750.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 06/05/2018 to 12/13/2018

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
R-Dovercourt	In the Matter of the Receivership of 2546456 Ontario Inc.					
		11/20/2018	Ira Smith	0.1	Email to Grant Thornton re our appointment and Money Gate START DRAFTING COURT REPORT; CALL/EMAIL W/ AFSHIN RE UPDATE	45.00
		11/21/2018	Brandon Smith	4.2	ON INSPECTIONS/PURCHASER; DISCUSSION W/ I SMITH RE IMPACT OF MGMIC RCVR ON OUR PROCEEDINGS	1,575.00
		11/21/2018	Ira Smith	0.2	Disc w. B. Smith re current status and need to email Afshin to find out status of inspections/waiver	90.00
		11/21/2018	Ira Smith	0.1	Email to J. Krieger re who to speak to re Money Gate receivership	45.00
		11/22/2018	Brandon Smith	3.8	complete 1st draft of first report, discussions w/ I smith re mgmic rcvrship and effect on our appt/activities; call w/ H Manis	1,425.00
		11/22/2018	Ira Smith	0.3	Telcon w. B. Smith and H. Manis re current status of receivership	135.00
		11/22/2018	Ira Smith	0.4	Various emails to and frm Rescom and Grant Thornton re update for current status	180.00
		11/28/2018	Brandon Smith	0.3	instruct counsel re termination of garage lease	112.50
		11/28/2018	Ira Smith	3.1	Rvw and amendments to First Report to Court	1,395.00
		11/28/2018	Ira Smith	2.3	Finalize rvw and amendments to First Report to Court	1,035.00
		12/3/2018	Ira Smith	0.3	Rvw of emails from Afshin re wavier of conditions and acknowledgement of waiver, signing acknowledgement and email to Afshin of signed document	135.00
		12/6/2018	Brandon Smith	0.2	corresp from tenant re rent receipt	75.00
		12/7/2018	Brandon Smith	0.5	draft and send ltr to tenant re confirmation of lease details	187.50
		12/10/2018	Brandon Smith	1.4	rvw emails from H Manis; issue termination to garage tenant; prep srd and time exhibit, update court report and send to Manis for comment	525.00

Ira Smith Trustee & Receiver Inc.

Detail Time Sheet

Period from: 06/05/2018 to 12/13/2018

Keyname	Full Estate Name	Date	Employee	Hours	Remark	Amount
R-Dovercourt	In the Matter of the Receivership of 2546456 Ontario Inc.	12/12/2018	Ira Smith	1.1	Correspond w/ 1st and 2nd mtgee re payout statements, review of stmnts rcvd, further email corresp w/ mtgees and fwd to H. Manis.	495.00
		12/13/2018	Brandon Smith	1.3	Email exchange w. Manis re scheduling for finalize report; receive comments; respond, make amendments and prep exhibits	487.50
				79.6		31,575.00
			Employee Name	Total Hours		Hourly Rate
			Ira Smith	23.0		\$ 450.00
			Brandon Smith	56.6		375.00
			Total:	79.6		21,225.00
			Average Hourly Rate:	396.67		31,575.00

MONEY GATE MORTGAGE INVESTMENT CORPORATION

And

2546456 ONTARIO INC.

Applicants

Respondent

Court File No.: CV-18-601199-00CL

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

Proceeding commenced at Toronto

**AFFIDAVIT OF BRANDON SMITH
(Sworn December 15, 2018)**

Ira Smith Trustee & Receiver Inc.
167 Applewood Crescent, Suite 6
Concord, ON L4K 4K7

Brandon Smith BA, CIRP, LIT
Tel: 905-738-4167
Fax: 905-738-9848

Court-appointed receiver of
2546456 Ontario Inc.

Exhibit "V"

Court File No. CV-18-601199-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

and

2546456 ONTARIO INC.

Respondent

AFFIDAVIT OF LAUREN SIGAL

I, **LAUREN SIGAL**, of the City of Toronto, in the Province of Ontario, **MAKE OATH**

AND SAY AS FOLLOWS:

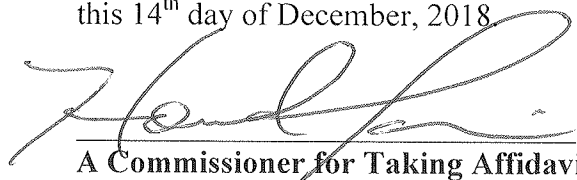
1. I am an associate at the law firm of Macdonald Sager Manis LLP ("MSM") and as such have knowledge of the matters to which I hereinafter depose.
2. Pursuant to the Order of the Honourable Justice Dunphy dated July 30, 2018, (hereinafter the "July 30 Order") Ira Smith Trustee & Receiver Inc. was appointed Receiver, without security, of all of the assets, undertakings and properties of the Respondent, 2546456 Ontario Inc. (Ira Smith Trustee & Receiver Inc. is hereinafter referred to as the "Receiver") and MSM was retained as legal counsel for the Receiver in the within action. Attached hereto as **Exhibit "A"** is a copy of the July 30 Order.
3. Pursuant to the July 30 Order, MSM has provided legal services to the Receiver in relation to the within action and has unbilled time/fees, disbursements and HST from November 6, 2018 to December 14, 2018 to invoice the Receiver, that are more particularly described in the pre-bill attached hereto and marked as **Exhibit "B"**.

4. The detailed fees/time dockets attached as Exhibit "B" are a fair and accurate description of the services provided and the amounts incurred by MSM in relation to the within action. The following is a summary of the lawyers whose services are reflected in the detailed fee/time dockets in Exhibit "B", including the total fees and hours incurred in relation to the within action:


<u>Name</u>	<u>Year of Call</u>	<u>Position</u>	<u>Hours</u>	<u>Rate</u>	<u>Fees</u>
Howard F. Manis	1993	Partner	22.4	\$600.00	\$13,440.00
Lauren Sigal	2012	Associate	6.6	\$400.00	\$2,640.00
Jordan Kamenetsky	-	Articling Student	1.3	\$150.00	\$195.00
					\$16,275.00

5. I believe that hours spent on this matter and the disbursements incurred by MSM as outlined in detail in Exhibit "B" are reasonable and appropriate in the circumstances.
6. MSM requests that the Court approve its account to the Receiver in this action for the period from November 6, 2018 to December 14, 2018 for services rendered and recorded in the total sum of \$16,275.00.
7. I make this affidavit in connection with the approval of the fees and disbursements of MSM and for no other or improper purpose.

SWORN BEFORE ME at the City of)
 Toronto, Province of Ontario,)
 this 14th day of December, 2018)


 A Commissioner for Taking Affidavits, etc.


 LAUREN SIGAL

This is Exhibit "A" referred to in the
affidavit of LAUREN SIGAL
sworn before me, this 14th
day of December 2018

A COMMISSIONER FOR TAKING AFFIDAVITS

H. Mawis

Court File No. CV-18-601199-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)

MONDAY, THE 30TH

JUSTICE)

S. F. Dunphy)

DAY OF JULY, 2018



MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

and

2546456 ONTARIO INC.

Respondent

Application pursuant to s.243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and s.101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, as amended

ORDER
(appointing Receiver)

THIS APPLICATION brought 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 Ira Smith Trustee & Receiver Inc. as receiver (the "Receiver") without security, over the lands and premises registered in the name of the Respondent, 2546456 Ontario Inc. (the "Debtor") municipally known as 558 Dovercourt Road, Toronto, Ontario and having the legal description as set out in Schedule "A" hereto (the "Real Property") including and all proceeds therefrom was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Morteza Katebian sworn July 4, 2018 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and counsel for B & M Handelman Investments Limited,

Carol Handelman, Yerusha Investments Inc., Bamburgh Holdings Ltd., Ronald Pollock, Judy Pollock, Candid Opinion Ltd., Sabo Properties Limited, Nechama Stern, Charles Pollak, Nancy Pollak, Mendel Rubinoff, Judy Rubinoff, The Bank of Nova Scotia Trust Company, Wendy Gruneir and 1031436 Ontario Inc. (collectively, the "First Mortgage") no one from the service list appearing although duly served as appears from the affidavit of service of , and on reading the consent of Ira Smith Trustee & Receiver Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ira Smith Trustee & Receiver Inc. is hereby appointed Receiver, without security, of the Real Property and all proceeds therefrom (together with the Real Property, the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (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 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;
- (j) 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;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; 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.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) 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;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person. Notwithstanding anything contained in this Order, the Receiver shall not enter into an agreement to sell the Property for an amount that does not satisfy the claimed payment of the first mortgage registered against the Property as Instrument No. AT4527566 in favour of the First Mortgagee (the "First Mortgage") in full. Further notwithstanding anything contained in this Order, the Receiver shall report to, meet with and discuss with the First Mortgagee and the Applicant, or their authorized representative(s), on a contemporaneous basis, on all matters relating to the Property and the receivership, and share information, subject to such terms as to confidentiality as the Receiver deems advisable.

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. Provided, however, that if at any time or from time to time a payment of monthly interest under the First Mortgage is not received by the First Mortgagee when due, or in the event of a material physical adverse change in the condition of the Property, the First Mortgagee shall be at liberty to issue a notice of sale under mortgage and to exercise all its rights thereunder, including selling the Property under power of sale, without the written consent of the Receiver or leave of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that, subject to the exception contained in paragraph 8 of this Order, 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 this stay and

suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the 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. Notwithstanding anything contained in this Order, the Receiver shall

be at liberty to make monthly payments under the First Mortgage from the Post Receivership Accounts without 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*.

PIPEDA

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 second charge on the Property 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 First Mortgage and 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 \$250,000.00 (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 First Mortgage, 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 "B" 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.

24. THIS COURT ORDERS that notwithstanding paragraphs 20 to 23 inclusive, and as an alternate thereto, the Receiver is hereby authorized to borrow money and to fund the exercise of its powers and duties hereunder by way of advances from the Applicant, which advances shall be secured by the Applicant's security on the Property, with the same priority that may attach to such security.

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL http://www.irasmithinc.com/case_studies/558Dovercourt.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

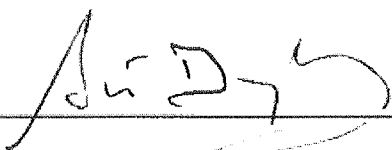
28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

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

31. THIS COURT ORDERS that the Applicant shall have its costs of this 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.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.


S.F. DUNPHY J

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

JUL 30 2018

PER / PAR:



SCHEDULE "A"**LEGAL DESCRIPTION OF REAL PROPERTY**

PIN 21281 -0074 LT

PT LT 24 PL D262 TORONTO AS IN CA474878; CITY OF TORONTO

MUNICIPALLY KNOWN AS 558 DOVERCOURT RD, TORONTO

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Ira Smith Trustee & Receiver Inc., the receiver (the "Receiver") of the Property of the Debtor, as such terms are defined in the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

DATED the ____ day of _____, 20__.

Ira Smith Trustee & Receiver Inc., solely in its
capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

MONEY GATE MORTGAGE INVESTMENT CORPORATION -and-
Applicant

2546456 ONTARIO INC.
Respondent

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

ORDER

STEINBERG TITLE HOPE & ISRAEL LLP

Barristers & Solicitors
5255 Yonge Street, Suite 1100
Toronto, Ontario
M2N 6P4

David A. Brooker (35787W)


Tel: 416-225-2777

Fax: 416-225-7112

Lawyers for the Applicant

RCP-E 4C (May 1, 2016)

This is Exhibit "B" referred to in the
affidavit of LAUREN SIGAL
sworn before me, this 14th
day of December 20¹⁸



.....
A COMMISSIONER FOR TAKING AFFIDAVITS

H. MANIS

Ira Smith Trustee & Receiver Inc.
 Suite 6
 167 Applewood Crescent
 Concord, Ontario L4K 4K7

Dec 21, 2018

Attention: Ira Smith

File #: 183414
 Inv #: Sample

RE: 2546456 Ontario Inc. (Receivership of)

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Nov-06-18	Telephone call with Mr. Smith;	0.20	120.00	HFM
Nov-07-18	E-mail to and from client; Telephone call with client;	0.40	240.00	HFM
Nov-22-18	E-mail to and from client; Telephone call with client; Reviewed lease agreement for commercial property; E-mail to Mr. Preger and Mr. Krieger regarding security documents;	2.00	1,200.00	HFM
Nov-23-18	Review of the Application Record seeking the appointment of the Receiver;	2.00	1,200.00	HFM
Nov-26-18	Review of additional documents received from client including the security documents of the secured creditors;	2.00	1,200.00	HFM
Nov-27-18	Review of the Agreement of Purchase and Sale of the subject property; Telephone conference with client;	1.00	600.00	HFM
Nov-28-18	E-mail to and from client regarding Notice of Termination of Tenancy; Telephone call with client;	0.40	240.00	HFM
Nov-29-18	Correspondence from Mr. Knigh regarding Dovercourt second mortgage; Telephone call with Mr. Knight; E-mail to and from client;	1.50	900.00	HFM
Dec-03-18	E-mail to and from client regarding acceptance of the Agreement of Purchase in Sale; E-mail to and from client regarding Notice to Tenant; Telephone call with client; to Vacate; Reviewed draft First Receiver's Report to Court; Telephone call with Court Office regarding Motion to approve the sale of the property; Telephone call with Mr. Nabavi regarding closing	2.80	1,680.00	HFM
Dec-04-18	Telephone conference with client; Telephone conference with the real estate agent concerning the waiver of the conditions by the purchaser and the steps needed to close the transaction; Review of the receivership documents and Order concerning the receivership of the second mortgagee;	1.20	720.00	HFM

Dec-06-18	E-mail to and from client regarding Tenant Estoppel; Telephone call with client;	0.50	300.00	191 HFM
Dec-10-18	Begin preparation of motion materials for the Approval and Vesting Order; Begin review of the security documents of the secured creditors;	1.10	660.00	HFM
	Review First Report; Draft Motion Materials;	1.70	680.00	LS
Dec-11-18	Further preparation of motion materials;	1.30	780.00	HFM
	Continue to draft Motion Materials;	1.10	440.00	LS
Dec-12-18	E-mail to and from client regarding first mortgage payout Statement; Telephone call with client; Telephone call with Mr. Krieger;	1.30	780.00	HFM
Dec-13-18	Further preparation of Motion Materials; Further preparation of motion materials; Telephone call with client; Reviewed of law regarding 3 month interest penalty;	1.30	780.00	HFM
Dec-14-18	Reviewed law regarding three month interest bonus and incorporated same into the security opinion to the receiver;	2.00	1,200.00	HFM
	Review, edit and finalize fee affidavit; Review Final Report; Finalize Motion Materials;	2.30	920.00	LS
	Drafting fee affidavit for Lauren Sigal	1.30	195.00	JK
Dec-17-18	Finalized Motion Materials; Finalized draft orders; E-mail to and from clients regarding draft orders; Letter to Service List regarding motion for the approval and vesting order, etc. Telephone call with client;	1.00	600.00	HFM
	Draft Orders;	1.50	600.00	LS
Dec-19-18	Finalized draft orders;	0.40	240.00	HFM
	Totals	30.30	\$16,275.00	
	HST on Fees		\$2,115.75	

FEE SUMMARY:

Lawyer	Hours	Effective Rate	Amount
Howard F. Manis	22.40	\$600.00	\$13,440.00
Lauren Sigal	6.60	\$400.00	\$2,640.00
Jordan Kamenetsky	1.30	\$150.00	\$195.00

Fee Amount:	\$ _____	Check if this is a final bill:	<input type="checkbox"/>
Fee Write Up/Down:	\$ _____	Reason for Write-off:	_____
Disb Write Up/Down:	\$ _____	Reason for Write-off:	_____
Lawyer Signature:	_____	Template/Format:	_____

DISBURSEMENTS**Disbursements****Receipts**

Teraview Search Costs	23.55	
Photocopy	0.45	
Prints (Lasertrak)	33.60	
Teraview Search Costs*	10.70	
	<hr/>	<hr/>
Totals	\$68.30	\$0.00
HST on Disbursements	\$7.49	
	<hr/>	<hr/>
Total Fees, Disbursements & HST		\$18,466.54
Previous Balance		\$0.00
Previous Payments		\$0.00
	<hr/>	<hr/>
Balance Due Now		\$18,466.54

Total Tax: \$2,123.24

HST #: 14030 5616 RT 0001

* tax-exempt

AMOUNT QUOTED:**\$0.00**

MONEY MORTGAGE INVESTMENT CORPORATION

-and-

2546456 ONTARIO INC.

Applicant

Respondent

Court File No. CV-18-601199-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

AFFIDAVIT OF LAUREN SIGAL

MACDONALD SAGER MANIS LLP
Lawyers and Trade-mark Agents
150 York Street, Suite 800
Toronto, Ontario, M5H 3S5

Telephone: (416) 364-1553
Telefax: (416) 354-1453

Howard F. Manis
Direct: (416) 364-5289
LSUC: 34366V

Lawyers for the Receiver



IRA SMITH
TRUSTEE & RECEIVER INC.

STARTING OVER, STARTING NOW

167 Applewood Cres. Suite 6, Concord, ON L4K 4K7

Phone: 905.738.4167

Fax: 905.738.9848

irasmithinc.com

**IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF
2546456 ONTARIO INC.**

NOTICE AND STATEMENT OF THE RECEIVER
(The Bankruptcy and Insolvency Act Subsections 245(1) and 246(1))

The Receiver gives notice and declares that:

1. By Order of the Ontario Superior Court of Justice (Commercial List) dated July 30, 2018, the undersigned Ira Smith Trustee & Receiver Inc. ("ISI") became the Receiver of the real property described below of 2546456 Ontario Inc. (the "Company"), an insolvent company:

A multi-unit residence located at 558 Dovercourt Road, Toronto, Ontario, including all its fixtures, fittings and chattels but excluding any assets, properties or undertaking owned by 3rd parties.

2. The undersigned became the Receiver by:
 - a) an Order of the Ontario Superior Court of Justice (Commercial List) dated July 30, 2018.
3. The assets described above are in or at the location specified above.
4. The following information relates to the appointment:
 - (a) Address of insolvent company: 1 Emerald Lane, Suite 409
Thornhill, ON L4J 8N2
 - (b) Principal line of business: Real Estate Investment and
Development
 - (c) Location(s) of business: As described above
 - (d) Amount owed by the insolvent company to each creditor who holds or may hold a security interest on the property described above, is as indicated on the attached list. The following parties may have a security interest in certain assets of the insolvent company:

(e)

Creditor	Amount of Charge Against the Property
Yerusha Investments Inc.; Bamburgh Holdings Ltd.; Pollock, Ronald; Pollock, Judy; Candid Opinion Ltd.; Sabo Properties Limited; Stern, Nechama; Pollak, Charles; Pollak, Nancy; Rubinoff, Mendel; Rubinoff, Judy; The Bank of Nova Scotia Trust Company; Gruneir, Wendy; 1031436 Ontario Inc.; B & M Handelman Investments Limited; Handelman, Carol (collectively the "First Mortgagee")	\$1,450,000
Money Gate Mortgage Investment Corporation	\$611,000.00

The list of creditors of the insolvent company including above noted secured creditors and the amount owed to each creditor and the total amount due by the insolvent company, based on the information currently available to the Receiver, is as follows:

Secured Creditor	Amount Due
Yerusha Investments Inc.; Bamburgh Holdings Ltd.; Pollock, Ronald; Pollock, Judy; Candid Opinion Ltd.; Sabo Properties Limited; Stern, Nechama; Pollak, Charles; Pollak, Nancy; Rubinoff, Mendel; Rubinoff, Judy; The Bank of Nova Scotia Trust Company; Gruneir, Wendy; 1031436 Ontario Inc.; B & M Handelman Investments Limited; Handelman, Carol	\$1,495,887.58 ¹
Money Gate Mortgage Investment Corporation	\$698,411.42 ²

(f) The intended plan of action of the Receiver is as follows:

The Receiver has put tenants on notice of its appointment and has attorned rents. The Receiver is currently developing a plan of action to maximize the realization of the asset.

¹ As at July 11, 2018, plus all accrued and unpaid interest due thereupon.

² As at June 18, 2018, plus all accrued and unpaid interest due thereupon.

(g) Contact person for the Receiver: Ira Smith
Telephone 905-738-4167 ext. 111
Fax 905-738-9848
Email: ira@irasmithinc.com

DATED at Concord, Ontario, this 1st day of August, 2018

Yours truly,

IRA SMITH TRUSTEE & RECEIVER INC.,
Solely in its capacity as Receiver of the Real Property of 2546456 Ontario Inc.

Per:



Ira Smith
President

MONEY GATE MORTGAGE INVESTMENT CORPORATION

and

2546456 ONTARIO INC.

Plaintiff

Defendant

Court File Number: CV-18-601199-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

MOTION RECORD

MACDONALD SAGER MANIS LLP
Lawyers & Trademark Agents
800-150 York Street
Toronto, Ontario M5H 3S5

Howard Manis LSUC#34336V
Lauren Sigal LSUC# 61567I
Tel: (416) 364-1553
Fax: (416) 364-1453

Lawyer for Ira Smith Trustee & Receiver Inc.,
Court-Appointed Receiver of 2546456 Ontario