

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

and

SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP, FSP  
HOLDINGS INC. and LANA STODDART

Respondents

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act* RSC 1985, c B-3 and Section 101 of the *Courts of Justice Act* RSO 1990, c C-43

**SUPPLEMENTARY MOTION RECORD  
(Motion Returnable April 25, 2016)**

April 22, 2016

**DLA PIPER (CANADA) LLP**  
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Lawyers for the Receiver

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Respondent

**AND TO: FSP HOLDINGS INC.**  
3421 Line 1 North  
Oro-Medonte ON L4M 4Y8

Respondent

**AND TO: LANA STODDART**  
3421 Line 1 North  
Oro-Medonte ON L4M 4Y8

*lstoddart@settlersghost.com*

Respondent

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## Index

Tab	Description
1	<u>Amended</u> Notice of Motion (returnable April 25, 2016)
2	Supplementary First Report of the Receiver, dated April 21, 2016

**TAB 1**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

and

SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP, FSP  
HOLDINGS INC. and LANA STODDART

Respondents

APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act* RSC 1985, c B-3 and Section 101 of the *Courts of Justice Act* RSO 1990, c C-43

**AMENDED NOTICE OF MOTION**

Ira Smith Trustee & Receiver Inc., as receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, including undertakings and properties of Settlers’ Ghost Golf Club Limited Partnership and FSP Holdings Inc. (the “**Debtors**”) will make a Motion to a Judge presiding over the Commercial List on April 25, 2016 at 10:00 a.m. or as soon after that time as the Motion can be heard at the court house, 330 University Avenue, 7th Floor, Toronto, Ontario, M5G 1R7.

**PROPOSED METHOD OF HEARING:** The Motion is to be heard:

in writing under subrule 37.12.1(1) because it is ;

in writing as an opposed motion under subrule 37.12.1(4);

[X] orally.

**THE MOTION IS FOR**

- (a) An Order substantially in the form of the draft order attached hereto as Schedule "A" for the following relief:
- (i) abridging the time for service of the Amended Notice of Motion and all of the materials filed in support at this motion, such that this motion is properly returnable on April 25, 2016, and dispensing with any further service thereof;
  - (ii) sealing appendices "H", "M", "P" and "U" attached to the First Report (as defined below), and appendix "A" attached to the Supplementary First Report (as defined below) with the Court (the "**Confidential Appendices**");
  - (iii) approving the fees and disbursements of the Receiver and its counsel, DLA Piper (Canada) LLP;
  - (iv) approving the Receiver's Statement of Receipts and Disbursements for the period of December 15, 2015 to March 31, 2016; and
  - (v) approving the sale transaction (the "**Transaction**") contemplated by the offer to purchase between Pace Savings and Credit Union Limited ("**Pace Savings**") and the Receiver, as more particularly described in the first report of the Receiver, dated April 14, 2016 (the "**First Report**");



(vi) approving the First Report and the supplementary first report of the Receiver, dated April 21, 2016 (the “Supplementary First Report”), filed, and the conduct and activities of the Receiver described therein; and

(b) Such further and other relief as to this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

**The Parties**

- (a) The debtor, Settlers' Ghost Golf Club Limited Partnership (“**Settlers' Ghost**”), owns and operates the Settlers' Ghost Golf Club, a golf facility located at 3421 1 Line N, Barrie, Ontario (the “**Property**”). The Property consists of an 18-hole golf course, merchandise shop, a restaurant and various other buildings;
- (b) The debtor, FSP, is the general partner of Settler's Ghost and was appointed as trustee to hold title to the property on behalf of the beneficial owner, Settler's Ghost;
- (c) The applicant, Pace Savings, is a secured lender to Settler's Ghost in connection with a loan in the principal amount of \$3,130,000.00 (the “**Loan**”). As at April 13, 2016, the amount owing under the Loan was \$3,029,234.60, plus unbilled legal fees (the “**Indebtedness**”);
- (d) As the general partner of Settlers' Ghost, FSP is indebted to Pace Savings for the full amount of the Indebtedness;

### **The Appointment of the Receiver**

- (e) On or about December 7, 2015, Pace Savings brought an application for, among other things, appointing the Receiver, and seeking judgment against the individual respondent pursuant to a personal guarantee of the obligations of Settlers' Ghost to Pace Savings;
- (f) The Honourable Justice Conway granted an order appointing the Receiver on December 15, 2015. This order was amended on December 18, 2015 to correct the name of Settlers' Ghost and include FSP as general partner of Settlers' Ghost;
- (g) The Receiver, among other activities described in the First Report, have retained a bailiff to inventory and appraise the chattels and fixtures at the Property as well as consultants to conduct a review of operations at the Property. The Receiver also updated a prior appraisal of Settler's Ghost;
- (h) The Receiver has allowed the continuance of the Company's employees and has facilitated arrangements to allow the Company to continue remuneration of its employees;
- (i) On or about March 14, 2016 Pace Savings indicated that it was no longer willing to fund the Receiver to continue with the mandate provided for in the Order, as amended. Pace Savings also indicated that it would not consent to a DIP lender obtaining secured ahead in priority to Pace Savings;

- (j) On or about March 16, 2016, the Receiver reached out to the stakeholders on the original service list and known to the Limited Partners requesting that if the recipient of the letter or a party known to them wished to submit an offer to purchase the Receiver's right, title and interest in the Company's assets, properties, and undertakings, such party should forthwith submit the offer to purchase directly to the Receiver;
- (k) The Receiver did not obtain any written expressions of interest, letters of intent, or offers to purchase in response to this request (the offer to purchase discussed, below);

#### **The Offer to Purchase**

- (l) On or about April 13, 2016, Pace Savings submitted an offer to purchase substantially all of the assets of Settlers' Ghost (the "**Offer to Purchase**");
- (m) Some of the key terms of the Offer to Purchase include:
  - (i) **Purchase Price:** The amount of the outstanding indebtedness to the Applicant as at the time of Closing, plus the amount of outstanding Receiver's Certificates, plus the amount of any claims ranking in priority to that of the Applicant, including the costs of this receivership administration.
  - (ii) **Deposit:** The Receiver's Borrowings under the Court approved Receiver's Certificates.

- (iii) **Purchaser's Conditions:** The Agreement is conditional to the Purchaser for a period of twenty one (21) days following the Receiver's acceptance and is subject to the Purchaser satisfying itself in its sole, absolute and unfettered discretion with all matters relating to the Property.
- (iv) **Court Approval:** The Agreement is conditional upon the approval of this Honourable Court.
- (v) **Adjustments:** There will be no adjustments on the sale.
- (vi) **Closing:** Closing shall take place on the later of the date which is ten (10) days following Approval of the Agreement by the Court and issuance of the Vesting Order, and the waiver of the Purchaser's Conditions, or such earlier or later date as the parties or their respective solicitors may actually agree upon in writing.
- (vii) **Assignment:** Save and except for the completion of this transaction by a company to be incorporated by the Purchaser, the Purchaser shall not have the right to assign its rights under this Agreement without the Vendor's prior written consent, which consent may be unreasonably withheld.
- (viii) **Other:** The Purchaser will provide its undertaking and indemnity to the Receiver to pay for any liabilities incurred by the Receiver in this Receivership administration which remain unpaid as of the Closing

date, the costs of the receivership administration including the professional fees and disbursements in addition to any charges ranking in priority to the security of the Applicant.

- (n) There are limited prospects for a sale of the assets of the Debtors where the Receiver is no longer funded by Pace Savings, and it seems unlikely that any other entity will agree to fund the receivership of the Debtors;
- (o) The Receiver believes that the Offer to Purchase does represent fair value for the assets, properties and undertakings of the Golf Course, given the constraints of being unable to conduct a full sales process;
- (p) The Receiver has received a few informal inquiries regarding the sale of the assets. The Receiver has advised such parties that although no formal sales process has been undertaken, the Receiver is willing to review any non-binding letter of intent such party may wish to provide to the Receiver for the purchase of the assets.
- (q) To date, no written expression of interest or offer to purchase has been received by the Receiver, other than the Offer to Purchase submitted by Pace Savings.
- (r) The Receiver and Pace Savings support the closing of the Sale Transaction;

**Sealing Order**

- (s) The Confidential Appendices to the First Report contain commercially sensitive information which in the Receiver's view should be sealed pending further order of this Court as the release of this information could prejudice the stakeholders of the Debtors, particularly if the transaction contemplated by the Sale Agreement does not close; and
- (t) Such further and other grounds as the lawyers may advise.

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

- (u) First Report;
- (v) Supplementary First Report; and
- (w) Such further and other evidence as the lawyers may advise and this Honourable Court permit.

April 21, 2016

**DLA PIPER (CANADA) LLP**  
Barristers & Solicitors  
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100 King Street West, Suite 6000  
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Toronto ON M5X 1E2

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jennifer.whincup@dlapiper.com

Lawyers for the Receiver

TO: **THE ATTACHED SERVICE LIST**

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

-and-

SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP  
et al.

Respondents

Court File No. CV-15-11212-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT  
TORONTO**

**AMENDED NOTICE OF MOTION**

**DLA PIPER (CANADA) LLP**

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Lawyers for the Receiver



**TAB 2**

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

**APPLICATION UNDER SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY*  
*ACT*RSC 1985, C B-3 AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*RSO  
1990, C C-43**

**BETWEEN**

**PACE SAVINGS & CREDIT UNION LIMITED**

**Applicant**

**-and-**

**SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP, FSP HOLDINGS INC.  
AND LANA STODDART**

**Respondents**

**SUPPLEMENTARY FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF  
SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP  
and FSP HOLDINGS INC.**

**DATED APRIL 21, 2016**

**SUPPLEMENTARY FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF  
SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP and  
FSP HOLDINGS INC.**

**DATED APRIL 21, 2016**

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**Exhibits**

Non-binding letter of intent dated April 15, 2016 to purchase the assets, properties and undertakings of LP and FSP (sealed).....	"A"
Receiver's email to Ms. Mary-Pat Quilty dated April 20, 2016.....	"B"
Canada Revenue Agency Proofs of Claim dated April 19, 2016.....	"C"

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**SUPPLEMENTARY FIRST REPORT OF IRA SMITH TRUSTEE & RECEIVER INC.  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF  
SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP and FSP HOLDINGS  
INC.**

**DATED APRIL 21, 2016**

**1.0 INTRODUCTION**

1. This report (the “**Supplementary First Report**”) is filed by Ira Smith Trustee & Receiver Inc. (“**ISI**”) in its capacity as Court-appointed Receiver and Manager (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, of all of the assets, including undertakings and properties of Settlers’ Ghost Golf Club Limited Partnership (the “**LP**”) and FSP Holdings Inc. (“**FSP**”) (collectively the “**Company**” or the “**Debtor**”).

2. The Honourable Madam Justice Conway made an order dated December 15, 2015 (the “**Appointment Date**”) appointing the Receiver, initially as Receiver of the LP (the “**LP Receivership Order**”). A copy of the LP Receivership Order and Her Honour’s endorsement is

included as Exhibit "A" to the Receiver's First Report to Court dated April 14, 2016 already filed with this Honourable Court (the "**First Report**").

3. Following service of its Application Record for the appointment of a Receiver, the Applicant, Pace Savings & Credit Union Limited (the "**Applicant**" or "**Pace**") realized that it had omitted FSP as a Respondent in the proceedings and moved to amend the original Application and the LP Receivership Order as to style of cause, Respondents and named parties over whose assets the Receiver would be appointed.

4. The Honourable Madam Justice Conway made two orders dated December 18, 2015 (the "**Amended Order Date**") to amend the LP Appointment Order (the "**Amending Order**") and appointing the Receiver, as Receiver of the Debtor (the "**Receivership Order**"). A copy of the Amending Order, the Receivership Order and Her Honour's endorsement is included as Exhibit "B" to the First Report.

### ***1.1 Purpose of this Report***

5. The purpose of this Supplementary First Report is to report to this Honourable Court on:

- i. the non-binding Letter of Intent received on April 18, 2016;
- ii. information provided to the Receiver on April 20, 2016 by the Applicant regarding contact made by Ms. Mary-Pat Quilty, one of the management personnel retained by the Receiver, regarding a group she is putting together interested in purchasing the assets, properties and undertakings of LP and FSP; and

- iii. the proofs of claim submitted by Canada Revenue Agency (“CRA”) on account of the payroll and HST accounts of LP.

## **1.2 Disclaimer**

6. In preparing this Supplementary First Report, the Receiver, where stated, has relied upon information obtained from and discussions with employees, 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 of assurance, in respect of the Information. As indicated herein, notwithstanding having served the principal of the Debtor, Ms. L. Stoddart, with a copy of the Receivership Order, Ms. Stoddart has chosen not to meet with the Receiver (but rather delegated that task to the day-to-day management) and has failed to supply the books and records of the Company which she initially identified as being in her possession. Certain books and records were located on the premises of the Property and, the Receiver has collected certain data from third parties and from operating the Property to be able to determine the financial position of the Company and the Property and to accumulate the Information.

7. 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 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 NON-BINDING LETTER OF INTENT

8. Attached as **Exhibit "A"** is a copy of the non-binding letter of intent to purchase the assets, properties and undertakings of LP and FSP dated April 15, 2016, received on April 18, 2016. The Receiver requests that the Exhibit be sealed until after the closing of a sales transaction for reasons of confidentiality.

9. As indicated in Exhibit "A", the amount indicated as the purchase price is significantly less than the Applicant's Agreement of Purchase and Sale (the "APS") included in the First Report.

## 3.0 INFORMATION OBTAINED FROM THE APPLICANT ON APRIL 20, 2016

10. April 20, 2016, Ms. S. Hyde of the Applicant contacted our Mr. B. Smith to advise that one of the Company's management employees retained by the Receiver, Ms. M-P Quilty, contacted Ms. Hyde and Mr. B. Hogan of Pace to advise that she and other certain limited partners are interested in purchasing the assets, properties and undertakings of LP and FSP, but, based on the advice of insolvency counsel, are not submitting a non-binding LOI or offer at this time. Ms. Hyde advised that she and Mr. Hogan told Ms. Quilty that she had to deal directly with the Receiver.

11. As a result, the Receiver sent an email to Ms. Quilty on the same day that, as a potential purchaser, she should submit on behalf of her group a non-binding LOI directly to the Receiver. Attached hereto as **Exhibit "B"** is a copy of the email sent.

#### 4.0 CRA PROOFS OF CLAIM DATED APRIL 19, 2016

12. On April 19, 2016, CRA submitted its proof of claim on account of unremitted source deductions and other amounts owing by LP in the total amount of \$36,009.34. CRA also advised that included in this total are trust funds totalling \$26,265.08.

13. CRA also submitted its proof of claim on account of unremitted HST owing by the LP in the total amount of \$140,902.39. CRA also advised that included in this total are trust funds totalling \$128,563.16.

14. Attached hereto as **Exhibit "C"** is a copy of both CRA proofs of claim described above.

#### 5.0 OTHER MATTERS

15. In the First Report, the Receiver advised that as of the date of this First Report the Receiver issued four Receiver's Certificates, and has borrowed the sum of \$62,000 from the Applicant. In order continue funding operations for the preparation of the opening of the golf course this month, on April 19, 2016, the Receiver issued Receiver Certificate no. 5 and borrowed the amount of \$45,000 from the Applicant.

16. Total borrowings from the Applicant as of this date is the amount of \$107,000 and the Receiver has available remaining borrowing capacity of \$143,000 provided for under the Appointment Order.



**6.0 CONCLUSION AND RECOMMENDATIONS**

17. The Receiver respectfully requests that this Honourable Court approve:
- i. this Supplementary First Report and the actions and activities of the Receiver described herein since April 14, 2016, the date of the First Report as described herein; and
  - ii. the sealing of Exhibit "A" included herein until after the closing of a sales transaction for reasons of confidentiality.

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\*\*

All of which is respectfully submitted at Toronto, Ontario this 21<sup>st</sup> day of April, 2016.

**IRA SMITH TRUSTEE & RECEIVER INC.**

solely in its capacity as Court-Appointed Receiver and Manager of Settlers' Ghost Golf Club Limited Partnership and FSP Holdings Inc. and not in its personal Capacity

Per:

  
Senior Vice-President

**Exhibit B**

## Ira Smith

---

**From:** Brandon Smith  
**Sent:** April-20-16 1:31 PM  
**To:** mpquilty@settlersghost.com  
**Cc:** Ira Smith; Bruce Darlington; hmanis@msmlaw.net; Whincup, Jennifer A.  
**Subject:** Offer to Purchase Settlers' Ghost  
**Attachments:** Ltr to svc and LP 2.0.pdf; Ltr to svc and LP vacate 29th.pdf

**Importance:** High

Mary-Pat,

I understand that you have approached Brian Hogan at Pace Credit Union as a representative of a group comprised partially of existing Limited Partners, expressing interest in purchasing the assets of Settlers Ghost Golf Club Limited Partnership and FSP Holdings Inc. (collectively the "Debtor").

As you are aware on December 15, 2015 our firm was appointed Receiver and Manager over the debtor and its assets vest in us. As you are a Limited Partner you received our letters of March 16 and 23, which I have attached for your convenience. In these letters we advised, *inter alia*, that if you or anyone known to you wishes to submit an offer to purchase the assets of the Debtor, they should submit an offer in writing to, us, the Receiver.

As it would appear that you and others are expressing interest in acquiring assets of the Debtor, you should forthwith submit a non-binding letter of intent, to us, identifying who the potential purchaser is, what assets they wish to acquire, the intended purchase price and any conditions that the offer to purchase may be subject to. We will be reporting to court on April 25<sup>th</sup> regarding any and all offers submitted to the Receiver.

**BRANDON SMITH, BA, CIRP**  
**LICENSED INSOLVENCY TRUSTEE**  
Senior Vice-President

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

P: 905.738.4167 ext.113 | F: 905.738.9848

E: brandon@irasmithinc.com

www.irasmithinc.com

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***<http://www.irasmithinc.com/blog/>***



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## **Exhibit C**

5



Canada Revenue Agency

Agence du revenu du Canada

TORONTO EAST TAX SERVICES OFFICE  
200 Town Centre Court,  
Scarborough, Ontario M1P 4Y3

*SETLERS' GAST - CRA*

**FAX**

**RECEIVED**  
APR 19 2016  
IRA SMITH TRUSTEE &  
RECEIVER INC.

Date: April 19, 2016  
Number of pages including cover sheet: 6

To: Ira Smith Trustee & Receiver Inc.  
Attn: Brandon Smith  
  
Phone: (905) 738-4167  
Fax phone: (905) 738-9848

From: P. Davey  
  
Toronto East TSO  
Phone: 905-725-4599  
Fax phone: 905-725-4100

REMARKS:    Urgent     For your review    Reply ASAP     Please comment

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Canada Revenue Agency  
Agence du revenu  
du Canada

Tax Centre  
Oshawa ON L1H 1J8

April 19, 2016

IRA SMITH TRUSTEE AND RECEIVER  
6 - 167 APPLEWOOD CRES  
CONCORD ON L4K 4K7

Account Number  
83303 7617 RP0001

Dear Sir or Madam:

Re: SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP sometime  
carrying on business as Settlers' Ghost Golf Club  
Account number: 83303 7617 RP0001

We are filing this amended claim for SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP sometime carrying on business as Settlers' Ghost Golf Club. The claim reflects the figures confirmed by the examination of the books and records for SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP sometime carrying on business as Settlers' Ghost Golf Club with David Graham at 3421 McMutt Road, RR1, Barrie On. At present, there is indebtedness to Canada Revenue Agency (CRA) for source deductions amounting to \$36,793.70.

Particulars of this liability are as follows:

Date of assessment (DD/MM/YYYY)	24/02/2014
Tax deductions:	\$6,003.67
CPP:	\$4,459.22
UI:	\$0.00
EI:	\$2,512.31
Penalties and interest:	\$2,940.06
Total:	\$15,915.26

Date of assessment (DD/MM/YYYY)	23/09/2014
Tax deductions:	\$0.00
CPP:	\$0.00
UI:	\$0.00
EI:	\$0.00
Penalties and interest:	\$370.94
Total:	\$370.94

Date of assessment (DD/MM/YYYY)	22/04/2015
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**Canada**

National Insolvency Office  
55 Athol St. E  
Oshawa ON L1H 1J8

Local: 905-725-4599  
Toll Free: 1-866-451-2560  
Fax: 905-725-4100  
Web site: www.cra.gc.ca

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Acct No: 83303 7617 RP0001

Tax deductions:	\$16,985.00
CPP:	\$0.00
UI:	\$0.00
EI:	\$0.00
Penalties and interest:	\$2,738.14
Total:	\$19,723.14
Grand total:	\$36,009.34

Pursuant to the provisions of subsection 227(4) of the Income Tax Act (ITA), subsection 23(3) of the Canada Pension Plan (CPP), subsection 57(2) of the Unemployment Insurance Act (UIA), subsection 86(2) of the Employment Insurance Act (EIA), the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP sometime carrying on business as Settlers' Ghost Golf Club in receivership.

Federal income tax:	\$4,480.36
Provincial income tax:	\$1,523.31
CPP employee portion:	\$2,229.61
UI employee portion:	\$0.00
EI employee portion:	\$1,046.80
Total:	\$9,280.08

Federal income tax:	\$12,675.40
Provincial income tax:	\$4,309.60
CPP employee portion:	\$0.00
UI employee portion:	\$0.00
EI employee portion:	\$0.00
Total:	\$16,985.00

Grand total:	\$26,265.08
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Payment for the total amount of this trust, namely \$26,265.08 should be made to the Receiver General out of the realization of any property that is subject to these statutory trusts in priority to all other creditors. Please forward payment by return mail. In the event this is not possible, please indicate when payment will be forthcoming.

Please advise when payment of the remaining balance of \$9,744.26 plus interest up to the date of payment will be forthcoming. Your attention is drawn to section 159 of the ITA, subsection 23(5) of the CPP, subsection 57(4.1) of the UIA and subsection 86(4) of the EIA.

This letter also serves as notice that should payment be made for any amount described in subsection 153(1) of the ITA

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- 3 - Acct No: 83303 7617 RP0001

for periods prior or subsequent to your appointment, tax deductions must be withheld and remitted in accordance with this subsection and Income Tax Regulations 101 and 108. Your attention is also directed to section 3 of the Unemployment Insurance (Collection of Premiums) Regulations, section 5 of the EIA and section 8 of the Canada Pension Plan Regulations.

If you require further information, please contact the undersigned at (905) 725-4599.

Yours truly,



P. Davey  
Collection Officer





Canada Revenue Agency / Agence du revenu du Canada

Tax Centre / Oshawa ON L1H 1J8

April 19, 2016

IRA SMITH TRUSTEE AND RECEIVER / 6 - 167 APPLEWOOD CRES / CONCORD ON L4K 4K7

Account Number / 83303 7617 RT0001

Dear Sir or Madam:

Re: SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP sometime carrying on business as Settlers' Ghost Golf Club

We are filing this amended claim for SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP sometime carrying on business as Settlers' Ghost Golf Club. The claim reflects the figures confirmed by the examination of the books and records for SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP sometime carrying on business as Settlers' Ghost Golf Club with David Graham at 3421 McNutt Road, RR1, Barrie On. Currently, the registrant owes us goods and services tax / harmonized sales tax (GST/HST) of \$140,902.39.

Table with 4 columns: Period outstanding, GST/HST payable, Penalty & Interest, Total payable. Rows include 2015-12-15, 2014-09-30, 2013-12-31, 2013-09-30, and Law Costs.

Under subsection 222(3) of the "Excise Tax Act," \$128,563.16 which is included in the above totals, is held in trust and forms no part of the property, business, or estate of SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP sometime carrying on business as Settlers' Ghost Golf Club in receivership. This is the case whether or not those funds have in fact, been kept separate and apart from the person's own money or from the assets of the estate.

The Receiver General should be paid the total amount of this

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National Insolvency Office / 55 Athol St. E / Oshawa ON L1H 1J8

Local: 905-725-4599 / Toll Free: 1-866-451-2560 / Fax: 905-725-4100 / Web site: www.cra.gc.ca

- 2 - Acct No: 83303 7617 RT0001

trust, namely \$128,563.16, out of the realization of any property subject to these statutory trusts. This should take priority over all other creditors. Please forward your payment by return mail as soon as possible. If this is not possible, please indicate when payment will be forthcoming.

Please indicate when you can pay the remaining balance of \$12,339.23, plus penalty and interest accrued to the date of payment. We draw your attention to sections 266 and 270 of the "Excise Tax Act."

This letter will also serve to notify you that as a (Receiver or Receiver and Manager) you are required to collect and remit GST/HST according to paragraph 266(2)(d) and to file any applicable returns as provided in paragraphs 266(2)(f) and (g) of the "Excise Tax Act."

If you have any questions, please contact P. Davey of the Revenue Collection Division at one of the telephone numbers provided in this letter.

Yours truly,



P. Davey  
Collection Officer

PACE SAVINGS & CREDIT UNION LIMITED

Applicant

-and- SETTLERS' GHOST GOLF CLUB LIMITED PARTNERSHIP  
et al.

Respondents

Court File No. CV-15-11212-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT  
TORONTO

**SUPPLEMENTARY MOTION RECORD**  
(Motion Returnable April 25, 2016)

**DLA PIPER (CANADA) LLP**

Barristers & Solicitors  
1 First Canadian Place  
100 King Street West, Suite 6000  
P.O. Box 367  
Toronto ON M5X 1E2

**Jennifer A. Whincup (LSUC# 60326W)**

[jennifer.whincup@dlapiper.com](mailto:jennifer.whincup@dlapiper.com)

Tel: 416-365-3425

Fax: 416-369-5240

Lawyers for the Receiver