

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**2012241 ONTARIO LIMITED**

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, as amended**

MOTION RECORD

November 24, 2011

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**AND Ravinder Chahal**

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**AND Jagden Dhaliwal**

**TO:** 31 Jewel Crescent  
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**AND Jasdew Dhaliwal**

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**AND Versa Construction Limited**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**2012241 ONTARIO LIMITED**

Respondent

**MOTION UNDER RULES 59.06, 60.05 and 60.11 OF THE RULES OF CIVIL  
PROCEDURE, R.R.O. 1990 Reg. 194**

**I N D E X**

**Tab**

1. Notice of Motion returnable November 25, 2011
- A. Schedule "A" - Order
2. First Report of the Receiver dated November
- A. Order of the Honourable Mr. Justice Campbell dated November 15, 2011
- B. The Affidavit of Kenneth J. Malcolm sworn November 10, 2011, without exhibits
- C. E-mail from Ravinder Singh Chahal to the Toronto-Dominion Bank date November 15, 2011
- D. The Affidavit of Theresa Kellen sworn November 15, 2011
- E. Corporate Profile Report of 2012241 Ontario Limited
- F. Parcel Register of 50 Sunny Meadow Blvd., Brampton, Ontario
- G. Personal Property Security Registration Database search of 2012241 Ontario Limited

- H. Receiver's preliminary draft rent roll
- I. Template form of letter to occupants of the Condominium Complex
- J. Letter from Ira Smith Receiver & Trustee Inc. to Sikder Professional Corporation dated November 16, 2011
- K. E-mail from Ravinder Singh Chahal to Ira Smith dated November 16, 2011, enclosing the Sikder Professional Corporation Trust Ledger Statement dated November 23, 2011
- L. Sikder Professional Corporation Trust Ledger Statement dated June 17, 2011
- M. E-mail exchange between Paltu Kumar Sikder and Shawn Wolfson dated November 23, 2011
- N. E-mail from Ravinder Singh Chahal cancelling November 16, 2011 meeting
- O. Letter from Ira Smith Trustee & Receiver Inc. to Ravinder Singh Chahal and Jagdev Dhaliwal dated November 16, 2011
- P. E-mail from Roman Humeniuk to Ira Smith dated November 16, 2011
- Q. E-mail from Ira Smith to Ravinder Singh Chahal and Jagdev Dhaliwal dated November 17, 2011
- R. Letter from Domenico Magisano to Ravinder Singh Chahal and Jagdev Dhaliwal dated November 19, 2011
- S. Bank Draft in the amount of \$50,000.00 payable to Rena Setwant Dhaliwal dated November 16, 2011

**TAB 1**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**2012241 ONTARIO LIMITED**

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, as amended**

**NOTICE OF MOTION**

**IRA SMITH TRUSTEE & RECEIVER INC.**, the court appointed receiver of the Respondent will make a motion to Mr. Justice Campbell on November 25, 2001, at 10:00 a.m., or as 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 orally.

**THE MOTION IS FOR:**

- (a) An Order in the form attached as Schedule A hereto;
- (b) if necessary, an Order abridging and validating the time for service of this Notice of Motion and Motion Record (collectively, the "**Materials**") so that the motion is properly returnable today, and that all parties requiring service of the Materials have been duly served and further service of the Materials upon interested parties

is dispensed with and the service of the Materials is hereby validated in all respects;

- (c) an order amending the initial Appointment Order made on November 15, 2011 by the Honourable Mr. Justice Campbell, at paragraph 2 to include the following: “including but not limited to the municipal property known as 50 Sunny Meadow Blvd. in Brampton, Ontario” and whose legal description is PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PT 43R21902 AS IN LT1615145. CITY OF BRAMPTON in the definition of “Property”;
- (d) an order holding the officers and directors of 2012241 Ontario Limited, including but not limited to Ravinder Singh Chahal and Jagdev Dhaliwal (collectively the “**Principals**”), in contempt of court;
- (e) in the alternative, an order requiring the Principals to fulfill the Receiver’s request for books and records by no later than noon on Monday, November 28, 2011, failing which a contempt order would be issued;
- (f) an order requiring Sikder Professional Corporation (“**Sikder**”) to deliver up to Blaney McMurtry LLP all deposits presently held by it, in trust, for all purchasers of the units in the Building, within 72 hours of the date hereof and that Blaney McMurtry LLP be appointed escrow agent for the sole purpose of holding the said trust fund deposits, with such appointment to be effective from and after the date of receipt of the deposit funds, without liability including, inter alia, any liability arising in connection with any release or misapplication of any deposit funds by Sikder;
- (g) an order requiring Sikder to deliver within 72 hours of the date of this order, all documents relating to the purchase and sale of the condominium units including, but not limited to;



- (i) All agreements of purchase and sale, including amendments thereto;
  - (ii) All documents relating to all interim occupancies;
  - (iii) Detailed trust ledger and reconciliation in respect of all deposits and releases of deposits;
  - (iv) All directions signed by purchasers permitting the disbursements to 2012241 of deposits held in trust by you;
  - (v) All correspondence and documentation exchanged between Sikder and all purchasers and their solicitors;
  - (vi) All draft condominium documents including draft declaration, by-laws and condominium plans;
  - (vii) Details of all occupancy fees being paid; and
  - (viii) All documents requested by the Receiver in his November 16, 2011 letter.
- (h) such further and other relief as this Honourable Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

- (a) On November 15, 2011 the Honourable Mr. Justice Campbell appointed Ira Smith Trustee & Receiver Inc. (the "**Receiver**") of all of the property, assets and undertaking of 2012241 Ontario Ltd (the "**Respondent**").
- (b) the Receiver has been advised that the Bank is owed \$12,729,112.54 by the Respondent which is secured by a mortgage over the property municipally known as 50 Sunny Meadows Blvd. in Brampton, Ontario (the "**Premises**") as well as a general security agreement granted by the Respondent;
- (c) Two trust ledger statements have been produced to the Receiver on Sikder's mast-head. These trust ledger statements are dated June 17, 2011 and November 23,

2011 and demonstrate a significant discrepancy in the funds held in trust of almost \$2.5 million.

- (d) Sikder has indicated that the June 17, 2011 trust ledger statement was not produced by it.
- (e) Sikder has admitted that it has released \$1,200,042.20 to the Respondent pursuant to purchasers directions. The Receiver has indicated to Sikder that such release is contrary to the provisions of the *Condominium Act*, 1998, S.O. 1998, c. 19 and has put Sikder on notice that any loss incurred as occasion as a result of this release of funds will be the responsibility of the Sikder.
- (f) The Receiver and its counsel have made demand on Sikder for the production of documents for an accounting. The Receiver, through its counsel has demanded the transfer of the balance held in the trust account of Sikder to be transferred to Blaney McMurtry LLP as escrow agent without liability. The said sum being \$995,384.76, together with full accounting and trust reconciliation with respect to same.
- (g) The Receiver was not provided with the Respondent's books and records on the date of first attendance to the Premises;
- (h) On the morning of November 16, 2011, a representative of the Respondent issued a bank draft (without the Receiver's knowledge or consent) from the Respondent's bank account at DUCA Financial Services Credit Union Ltd. ("DUCA") in the amount of \$50,000 and payable to Rena Setwant Dhaliwal;
- (i) The bank draft is dated November 16, 2011, a day after the Appointment Order was granted and personally delivered to a representative of the Respondent;
- (j) On November 21, 2011, the Receiver put the manager of the Premises on notice that all property, books, records and documents of the Respondent, or related to the assets, properties and undertakings of the Respondent must be provided to the Receiver;

- (k) To date, the Receiver has limited documentation in its possession relating to the assets, properties and undertakings of the Respondent;
- (l) On November 16, 2011, the Receiver advised Sikder of the Appointment Order and requested the delivery of all deposits being held and an accounting of any assets, properties, undertakings and documents of the Respondent
- (m) On November 19, 2011, a demand was made that the funds withdrawn pursuant to the Bank Draft be returned by 5pm on November 21, 2011. The funds were received by the Receiver on November 24, 2011;
- (n) Section 81(7) of the *Condominium Act*, 1998 S.O. 1998, c. 19; and
- (o) such further and 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:

- (a) The November 15<sup>th</sup> Appointment Order of the Honourable Mr. Justice Campbell;
- (b) The First Report of the Receiver; and
- (c) such further and other evidence as counsel may advise and this Honourable Court permit.

November 24, 2011

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**AND Jagdev Dhaliwal**

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**AND Ravinder Chahal**

**TO:** 17 Adirondack Crescent  
Brampton, Ontario  
L6R 1E5

**AND Jagden Dhaliwal**

**TO:** 31 Jewel Crescent  
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**AND Jasdew Dhaliwal**

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**AND Versa Construction Limited**

**TO:** 69 Maplecrete Road  
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**TAB A**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE )  
 ) FRIDAY, THE 25<sup>TH</sup> DAY  
JUSTICE ) OF NOVEMBER, 2011.

B E T W E E N:

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**2012241 ONTARIO LIMITED**

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, as amended**

**O R D E R**

**THIS MOTION**, made by Ira Smith Trustee & Receiver Inc., in its capacity as court appointed receiver of the Respondent (the "**Receiver**"), for an Order requiring the principals of the Respondent and its counsel to deliver certain documents and funds, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the First Report of the Receiver dated November 24, 2011, and the Appendices thereto (the "**First Report**") and on hearing submissions from counsel to the Receiver, to the Applicant and any other stakeholders present,

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

2. **THIS COURT ORDERS** that the Order of the Honourable Mr. Justice Campbell dated November 15, 2011, be and the same is hereby amended by inserting at paragraph 2 the following wording: “including but not limited to the municipal property known as 50 Sunny Meadow Boulevard in Brampton, Ontario” and whose legal description is Pt of Lt 11, Con 5 East of Hurontario St, des as Pts 6 and 7, Pl 43R21902. S/T an easement In favour of Brampton Hydro Electric Commission and The Corporation of the City of Brampton Over Pt of Lt 11, Con 5 EHS, des as Pt 7, Pt 43R21902 as in LT1615145, City Of Brampton in the definition of “Property” (hereinafter referred to as the “**Building**”).

3. **THIS COURT ORDERS** that Sikder Professional Corporation, Barristers and Solicitors, shall transfer to Blaney McMurtry LLP all deposits presently held by it, in trust, for all purchasers of the units in the Building, within 72 hours of the date of this Order and that Blaney McMurtry LLP be appointed escrow agent for the sole purpose of holding the said trust fund deposits, with such appointment to be effective from and after the date of receipt of the deposit funds, without liability including, inter alia, any liability arising in connection with any release or misapplication of any deposit funds by Sikder Professional Corporation.

4. **THIS COURT ORDERS** that Sikder Professional Corporation shall deliver up within 72 hours of the date of this Order to the Receiver copies of all documents and accounting relating to the purchase and sale of the condominium units, including but not limited to:

- (a) All agreements of purchase and sale, including amendments thereto;



- (b) All documents relating to all interim occupancies;
- (c) Detailed trust ledger and reconciliation in respect of all deposits and releases of deposits;
- (d) All directions signed by purchasers permitting the disbursements to 2012241 of deposits held in trust by you;
- (e) All correspondence and documentation exchanged between Sikder and all purchasers and their solicitors;
- (f) All draft condominium documents including draft declaration, by-laws and condominium plans;
- (g) Details of all occupancy fees being paid; and
- (h) All documents requested by the Receiver in his November 16, 2011 letter.

5. **THIS COURT ORDERS** that Jagdev Dhaliwal, Jagden Dhaliwal, Jasdew Dhaliwal and Ravinder Chahal (the “**Principals**”) provide responses to all requests contained in the Receiver’s letter of November 16, 2011 (and attached as Schedule “A” to this Order) on or before the close of business on November 29, 2011.

6. **THIS COURT ORDERS** that if the Principals fail to comply with paragraph 4 of this Order, the Receiver shall be free to bring a contempt motion against the Principals on three calendar days’ notice.

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**Schedule "A"**



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**Ira Smith**  
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November 16, 2011

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**VIA EMAIL** dhaliwalj10@hotmail.com

Mr. J. Dhaliwal, President  
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Mississauga, Ontario L4T 1E5

Dear Sirs

**2012241 Ontario Limited ("2012241")  
Receivership Order dated November 15, 2011  
50 Sunny Meadow Blvd., Brampton, ON (the "Building")**

We are writing further to the meeting last evening between Mr. and Mrs. Chahal and our Messrs. I. Smith, B. Smith and M. Wolfe. We advise that on November 15, 2011, The Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) made an Order (the "Appointment Order") appointing Ira Smith Trustee & Receiver Inc. as Receiver (the "Receiver") of the assets, undertakings and properties of 2012241. We enclose a copy of the Appointment Order and the file directions issued yesterday. We confirm that both Mr. and Mrs. Chahal were each provided with a copy of the Appointment Order last evening.

Paragraphs 4 and 5 of the Appointment Order require all persons with notice of the Appointment Order to deliver all Property (as defined in the Appointment Order) and books, records and all documents in their possession to the Receiver. We obtained certain records last evening from the 50 Sunny Meadow Blvd. premises, but many records we would have expected to have seen were not stored in the main floor office.

Although this listing is not meant to be exhaustive, we would have expected to have found, and taken possession of at least the following additional records of 2012241:

1. Quantity Surveyor reports and Architect's Certificates.
2. Contracts with contractors and suppliers for both the construction and ongoing maintenance and property management of the Building.
3. All files relating to the construction of the Building, including all Statutory Declarations and/or lien claims (both registered and unregistered) of the trades used in the construction of the Building.
4. Bank statements and cancelled cheques for all accounts maintained by 2012241 whether at The Toronto-Dominion Bank or elsewhere.
5. The documents relating to all secured indebtedness and leases of equipment.
6. Accounting records and software showing full disclosure of the affairs of 2012241.
7. Minute Book, corporate seal and other corporate records, financial statements and income tax returns.
8. Statements received from Canada Revenue Agency, Workers' Safety and Insurance Board and various provincial and municipal government agencies.
9. Payroll records.
10. Extension Agreements for all Agreements of Purchase and Sale.
11. Identification of the whereabouts and amount of all deposits being held relating to Agreements of Purchase and Sale, by purchaser.
12. Identification of the whereabouts and amount of all security deposits and last month's rent being held from tenants of the Building.
13. All Offers to Lease and Leases from prospective or actual tenants of the Building.
14. The current rent roll for the Building.
15. Extension Agreements for all Agreements of Purchase and Sale entered into with purchasers of the condominium units.
16. Licenses required for the operation of the Building and machinery and equipment located thereon.
17. Occupancy Certificates.

18. The declaration and the description required to register a condominium building under the *Ontario Condominium Act, 1998* S.O. 1998, CHAPTER 19.
19. Documentation relating to owners paying phantom rent for the units they are respectively using.
20. Paid and unpaid billings for the supply of goods and services for the Building, including, but not limited to, property tax, hydro, water and gas.
21. Documentation to clearly identify all assets, properties and undertakings of 2012241 in addition to the Building.
22. A copy of all insurance policies/insurance endorsements detailing the insurance coverage held by 2012241 in relation to the Building, any vehicles and any other assets being insured.

As new information becomes available to us, we will update this listing, although it is your responsibility to deliver all Property of 2012241 without receiving specific requests from us, otherwise, you will be in contravention/contempt of the Appointment Order.

As you know, as Court-appointed Receiver, we are an Officer of the Court and we act on behalf of all the creditors of 2012241 and we must report our actions, activities and all issues concerning this receivership administration to the Court. We must be able to quickly identify the location of all of the assets, properties and undertakings of 2012241 and take possession of same. As indicated above, all persons with notice of the Appointment Order, including you, have a positive duty to disclose the whereabouts of all such assets, properties and undertakings and deliver them to the Receiver immediately.

We therefore advise that we require knowing the whereabouts of, and for you to deliver to the Receiver, all such assets, properties and undertakings of 2012241. We confirm that last evening, our Mr. I. Smith and Mr. Chahal agreed that they would meet at 3PM today, in order for Mr. Chahal to provide Mr. Smith with complete disclosure concerning 2012241's affairs, however, at 12:03PM today by email, Mr. Chahal cancelled the meeting without rescheduling. As you can appreciate, this occurrence is disappointing, and we still require full disclosure and possession of all of 2012241's assets, properties and undertakings immediately.

We look forward to your immediate cooperation. Please contact us immediately to make satisfactory arrangements.

We are copying our independent legal counsel, Mr. D. Magisano of Blaney McMurtry LLP with this communication.

Yours truly,

IRA SMITH TRUSTEE & RECEIVER INC.  
solely in its capacity as Court-appointed Receiver of  
2012241 Ontario Limited

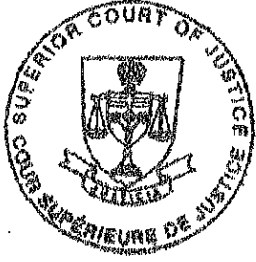


Per:

Ira Smith  
President

Enc

cc Mr. D. Magisano - Blaney McMurtry LLP - [dmagisano@blaney.com](mailto:dmagisano@blaney.com) (letter only)



Court File No. CV-11-9456-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE *MP* ) TUESDAY, THE 15<sup>TH</sup>  
JUSTICE *C. Campbell* ) DAY OF NOVEMBER, 2011  
)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

2012241 ONTARIO LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43, as amended**

**ORDER**

**THIS APPLICATION** made by the Applicant, *ex parte*, 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 and Receiver Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2012241 Ontario Limited (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 Kenneth Malcolm sworn November 10, 2011 and the exhibits thereto, and the affidavit of Theresa Kellen sworn November 15, 2011 and the exhibits attached thereto and on hearing the submissions of counsel for Applicant and on reading the consent of Ira Smith Trustee and 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 record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

**APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ira Smith Trustee and Receiver Inc. 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").

**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 of 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 undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$150,000; 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, and in each case the Ontario Bulk Sales Act shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

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

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

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

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or

provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

**NO PROCEEDINGS AGAINST THE RECEIVER**

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

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of

the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that 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.

#### **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, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.



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

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal 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 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

#### **GENERAL**

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

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

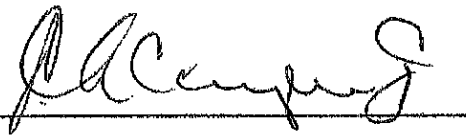
26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals,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

27. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, 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.

28. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than <sup>Two (2) days</sup> ~~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 15 2011

RECEIVED 

Schedule "A"

RECEIVER CERTIFICATE

CERTIFICATE NO.

AMOUNT \$

1. THIS IS TO CERTIFY that Ira Smith Trustee and Receiver Inc., the receiver (the "Receiver") of the assets, undertakings and properties 2012241 Ontario Limited 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 \_\_\_\_\_ of MONTH, 20YR (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 MONTH, 20YR.

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

Per: \_\_\_\_\_  
Name:  
Title:

11369058.1

11369058\_1

THE TORONTO-DOMINION BANK

and

2012241 ONTARIO LIMITED

Applicant

Respondent

Court File No. CV-11-9456-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
Suite 1800, Box 754  
181 Bay Street  
Toronto, ON M5J 2T9  
Tel: (416) 863-1500  
Fax: (416) 863-1515

Sanj Sood – LSUC No. 42137R

Lawyers for the Applicant

Court File Number: CV 170000

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

TORONTO - DOMINION BANK  
Plaintiff(s)

AND

2012241 ONTARIO LIMITED  
Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No:	Facsimile No:
S. SOOD		

- Order  Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

Adjourned to: \_\_\_\_\_

Time Table approved (as follows):

The Bank seeks the appointment of a Receiver pursuant to s. 243 of the BIA & requests relief of costs on an urgent basis given the position of the debtor set out in an email from Relenda Singh Archel on Nov. 15/11 @ 1:08 pm.

Having read the motion record & heard from counsel for the Bank I am satisfied that the debt arrears & financial situation of the debtor including failure to return the consultant as undertaken

Nov. 15/11  
Date

[Signature]  
Judge's Signature

Additional Pages \_\_\_\_\_

Court File Number: CV-11-9456-CL

Superior Court of Justice  
Commercial List

**FILE/DIRECTION/ORDER**

Judges Endorsement Continued

That the debtor is insolvent & the appointment  
of a Receiver pursuant to O. 243 is  
appropriate & so approved in terms of the  
draft order filed.

Given that the scheduled hearing  
is set for Fri. Nov. 18 I am  
satisfied that the debtor will have  
every opportunity to respond to  
the Banks claim.

Order agreed as above



Court File Number: NEW

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

TD BANK  
Plaintiff(s)

AND

2012241 ONTARIO LTD.  
Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No:	Facsimile No:

- Order     Direction for Registrar (No formal order need be taken out)  
 Above action transferred to the Commercial List at Toronto (No formal order need be taken out)

- Adjourned to: \_\_\_\_\_  
 Time Table approved (as follows):

Counsel for TD appeared to seek leave to bring Application for Appointment of Receiver pursuant to s. 243 of BIA. I am satisfied with respect to urgency & of issue of required notice in Blomster.  
Subject to any arguments that may be made on the return - leave granted to issue Application in Commercial list

Nov. 14/11  
Date

[Signature]  
Judge's Signature

Additional Pages \_\_\_\_\_

**TAB 2**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**2012241 ONTARIO LIMITED**

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,  
as amended and SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990 c. C.43, as amended**

**FIRST REPORT OF THE RECEIVER  
DATED NOVEMBER 24, 2011**

**IRA SMITH TRUSTEE &  
RECEIVER INC.**  
167 Applewood Crescent, Suite 6  
Concord, ON L4K 4K7

Telephone: 905.738.4167  
Fax: 905.738.9848

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**2012241 ONTARIO LIMITED**

Respondent

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**FIRST REPORT OF THE RECEIVER  
DATED NOVEMBER 24, 2011**

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PURPOSE OF THE REPORT..... - 1 -

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DISCREPANCY IN TRUST DEPOSITS ..... - 5 -

FAILURE TO DELIVER DOCUMENTS ..... - 7 -

POST RECEIVERSHIP WITHDRAWAL FROM RESPONDENT’S BANK ..... - 10 -



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**BETWEEN:**

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**2012241 ONTARIO LIMITED**

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3,  
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R.S.O. 1990 c. C.43, as amended**

**FIRST REPORT OF THE RECEIVER  
DATED NOVEMBER 24, 2011**

**APPENDICES**

- A. Order of the Honourable Mr. Justice Campbell dated November 15, 2011
- B. The Affidavit of Kenneth J. Malcolm sworn November 10, 2011, without exhibits
- C. E-mail from Ravinder Singh Chahal to Mr. Malcolm dated November 15, 2011
- D. The Affidavit of Theresa Kellen sworn November 15, 2011
- E. Corporate Profile Report of 2012241 Ontario Limited
- F. Parcel Register of 50 Sunny Meadow Blvd., Brampton, Ontario
- G. Personal Property Security Registration Database search of 2012241 Ontario Limited
- H. Receiver's preliminary draft rent roll

- I. Template form of letter to occupants of the Condominium Complex
- J. Letter from Ira Smith Trustee & Receiver Inc. to Sikder Professional Corporation dated November 16, 2011
- K. E-mail from Paltu Kumar Sikder to Ira Smith dated November 23, 2011 enclosing the Sikder Professional Corporation Trust Ledger Statement dated November 23, 2011
- L. Sikder Professional Corporation Trust Ledger Statement dated June 17, 2011
- M. E-mail exchange between Paltu Kumar Sikder and Shawn Wolfson dated November 23, 2011
- N. E-mail from Ravinder Singh Chahal to Ira Smith cancelling November 16, 2011 meeting
- O. Letter from Ira Smith Trustee & Receiver Inc. to Ravinder Singh Chahal and Jagdev Dhaliwal dated November 16, 2011
- P. E-mail from Roman Humeniuk to Ira Smith dated November 16, 2011
- Q. E-mail from Ira Smith to Ravinder Singh Chahal and Jagdev Dhaliwal dated November 17, 2011
- R. Letter from Domenico Magisano to Ravinder Singh Chahal and Jagdev Dhaliwal dated November 19, 2011
- S. Bank Draft in the amount of \$50,000.00 payable to Rena Setwant Dhaliwal dated November 16, 2011

## **INTRODUCTION**

1. On November 15, 2011, the Honourable Mr. Justice Campbell appointed Ira Smith Trustee & Receiver Inc. as receiver (the “**Receiver**”) of all of the property, assets and undertaking (the “**Property**”) of the Respondent (the “**Appointment Order**”). A copy of the Appointment Order is attached hereto and marked as **Appendix “A”**.
2. As part of its application seeking the appointment of the Receiver, The Toronto-Dominion Bank (the “**Bank**”) relied upon the affidavit of Kenneth J. Malcolm sworn November 10, 2011 (the “**Malcolm Affidavit**”). A copy of the Malcolm Affidavit (without exhibits) is attached hereto and marked as **Appendix “B”**.
3. The application for the Appointment Order was originally scheduled for November 18, 2011, however, on November 15, 2011, Ravinder Singh Chahal, one of the principals of the Respondent, wrote to Mr. Malcolm sent at 3:01pm threatening to take immediate steps that could adversely affect the Bank’s security (the “**Chahal e-Mail**”). A copy of the Chahal e-mail is attached hereto and marked as **Appendix “C”**.
4. As a result of receiving the e-mail attached at Appendix “C” to this report, Theresa Kellen swore a supplemental affidavit dated November 15, 2011 (the “**Kellen Affidavit**”) and the Bank’s legal counsel, Aird & Berlis LLP, attended before the Honourable Mr. Justice Campbell later that day seeking the Appointment Order. A copy of the Kellen Affidavit (together with exhibits) is attached hereto and marked as **Appendix “D”**.

## **PURPOSE OF THE REPORT**

5. The purpose of this report (the “**First Report**”) is to:
  - (a) Report on the Receiver’s attempts to secure the Property;
  - (b) Report on the discrepancy of trust deposits held by Sikder Professional Corporation;
  - (c) Report on attempts to obtain certain books and records from the principals of the Respondent;



- (d) Report on the Receiver's discovery that the Respondent (without the Receiver's approval) issued a \$50,000 bank draft from the its bank account at DUCA Financial Services Credit Union Ltd. ("DUCA") payable to Rana Setwant Dhaliwal on November 16, 2011; and
- (e) Request a minor revision to the Appointment Order.

#### **DISCLAIMER**

- 6. The Receiver has relied upon the financial records of the Respondent, as well as other information supplied by staff and management of the Respondent, its service providers and its financial institutions. The Receiver assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this report. Any use which any party, other than the Court, makes of this report or any reliance on or decision made based on this report is the responsibility of such party.

#### **BACKGROUND AND OPERATIONS**

- 7. The Respondent is an Ontario corporation which owns certain lands municipally known as 50 Sunny Meadow Blvd., Brampton, Ontario (the "**Premises**"). The Respondent has substantially completed building a three story, commercial condominium building on the Real Property (the "**Condominium Complex**"). The Condominium Complex was originally approved for 47 units, but the Receiver's investigation to date indicates that there may be up to 62 units. The Receiver to date has not found any evidence of zoning approval for the increased number of units, but the Receiver's review is ongoing and currently, as described herein, the Receiver is missing a large amount of documentation concerning the building of the Condominium Complex.
- 8. A copy of the corporate profile report for the Respondent is attached hereto and marked as **Appendix "E"** and a copy of the parcel register for the Premises is attached hereto and marked as **Appendix "F"**.
- 9. The principals of the Respondent are Ravinder Singh Chahal ("**Chahal**") and Jagdev Dhaliwal ("**Dhaliwal**") ("**Principals**").

10. The Receiver has been advised that the Bank is owed \$12,729,112.54 as at October 26, 2011 and that said indebtedness is secured by certain security provided by the Respondents, including, but not limited to a mortgage over the Premises and a general security agreement granted by the Respondents and dated October 10, 2008. The Receiver has not obtained an opinion as to the validity and enforceability of the Bank's security although we expect to do so in the near future.
11. A search of the Personal Property Security Registration Database has been completed and the results of that search are attached hereto and marked as **Appendix "G"**.

#### **ATTENDING THE PREMISES AND SECURING ASSETS**

12. The Receiver attended at the Premises on the evening of November 15, 2011. Mrs. Chahal was at the Premises when the Receiver arrived. She contacted Chahal and he arrived shortly thereafter. The Receiver met with Chahal and provided him with a copy of the Appointment Order. The Receiver also changed the locks to Chahal's office on the Premises and removed whatever documentation could be found concerning the Condominium Complex, as well as what appears to be a full set of keys for various units, and mechanical and storage rooms.
13. Significant work on the Condominium Complex has been completed and certain people have moved in, however, the Condominium Complex has not been registered pursuant to the *Condominium Act*.
14. The Condominium Complex is managed by English Prestige Property Management Inc. (the "**Manager**"). It appears that the principal of the Manager may be related to the Respondent. The Receiver has contacted the Manager to attempt to meet with the Manager to determine its suitability to continue as the Manager of the Condominium Complex.
15. On November 21, 2011, the Receiver put the Manager on notice that all property, books, records and documents of the Respondent, or related to the assets, properties and undertakings of the Respondent, including the Condominium Complex, must be provided to the Receiver. The Manager and the Receiver are in communication and the Manager

has undertaken to provide the Receiver with the requested information and documentation and to meet with the Receiver early in the week of November 28, 2011 to provide the Receiver with such documentation and information.

16. The Manager has asked the Receiver if it should continue in its role as Manager and the Receiver has requested a copy of the property management agreement to review, and has advised the Manager that it should continue to provide its services at least until representatives of the Manager and the Receiver meet. The Receiver believes that it requires the services of an experienced and independent property manager and will advise this Honourable Court of its conclusions as to the proposed property manager to be retained by the Receiver in its Second Report to Court.
17. As described herein, the Receiver currently has limited documentation in its possession relating to the assets, properties and undertakings of the Respondent. The Receiver's understanding is that there are currently fifteen (15) parties occupying units in the Condominium Complex. Based on documentation and post-dated cheques seized by the Receiver, the Receiver has prepared a preliminary draft rent roll. Attached as **Appendix "H"** is a copy of such rent roll. The Receiver's investigation concerning these occupants is ongoing to determine if these occupants are tenants, or if some are purchasers who have not yet been able to take title to their respective units as the Condominium Complex has yet to be registered. The Receiver cautions that this preliminary draft rent roll is tentative and subject to change.
18. On November 23, 2011 the Receiver delivered a letter to each of the occupants to provide each with a copy of the Appointment Order, confirming where post-dated cheques were being held for rent and advising that all rent payments must be only to the Receiver until further notice. Attached hereto as **Appendix "I"** is a copy of the template of the letters issued, without the enclosures.
19. Mr. Malcolm provided the Receiver with a binder of Agreements of Purchase and Sale that the Respondent previously provided to the Bank as part of its ongoing obligations to the Bank in support of the financing it obtained. The Receiver has performed a review on a test-check basis and has determined that the summary prepared by the Bank is accurate.

The Receiver also found some Agreements of Purchase and Sale on the premises. The Receiver's review to determine which Agreements of Purchase and Sale exist, and which are currently valid is ongoing and the Receiver will report its findings to this Honourable Court as the Receiver's analysis unfolds.

20. From the review of the documentation previously provided to the Bank by the Principals of the Respondent, the Receiver found a trust account statement dated June 17, 2011 (the "**June 17, 2011 Trust Ledger**") from Sikder Professional Corporation, Barristers and Solicitors ("**Sikder**") indicating that it was holding in trust deposits totaling \$3,446,766.20 from purchasers of units in the Condominium Complex. On November 16, 2011, the Receiver wrote to Sikder advising of the Appointment Order, requesting an accounting of all such deposits being held, and an accounting of any assets, properties, undertakings and documents of the Respondent being held and that all such Property must be delivered to the Receiver. Attached as **Appendix "J"** is a copy of that letter. As of this date, Sikder has confirmed receipt of the letter but has failed to provide substantially all of the requested information, documents or Property.

#### **DISCREPANCY IN TRUST DEPOSITS**

21. On November 23, 2011 the Receiver received an e-mail from Sikder attaching an updated trust ledger statement dated November 23, 2011 (the "**November 23, 2011 Trust Ledger**") a copy of the e-mail from Sikder's office to the Receiver and a copy of the November 23, 2011 Trust Ledger are attached as **Appendix "K"**. A review of the November 23, 2011 Trust Ledger indicates a substantial discrepancy in the trust deposits being held by Sikder from that shown from the June 17, 2011 Trust Ledger. The total amount held in trust as stipulated in the November 23, 2011 Trust Ledger is \$995,384.76 as opposed to the sum of \$3,446,766.20 shown in the June 17, 2011 Trust Ledger.
22. In response to an e-mail from Shawn Wolfson of Blaney McMurtry LLP, counsel for the Receiver, Mr. Paltu Kumar Sikder indicated that the June 17, 2011 Trust Ledger did not originate from his office and as a result could not make any comment on this document. He further indicated that his firm had no knowledge of this document. Mr. Wolfson thereafter replied to Mr. Sikder asking him to provide a detailed trust reconciliation

showing all debits and credits in respect of this file from its outset to present. Attached as **Appendix "L"** is the June 17, 2011, Trust Ledger.

23. In response thereto, Mr. Sikder sent an e-mail to Mr. Wolfson indicating that he would get his information from his accountant which is coming to his office this Saturday. Attached and marked as **Appendix "M"** is an email exchange between Shawn Wolfson and Mr. Paltu Sikder all dated November 23, 2011.
24. In addition, the November 23, 2011 Trust Ledger indicates that the sum of \$1,200,042.20 of trust deposits previously held by Sikder was released to 2012241 as same was "disbursed on purchasers direction". No corroborating directions were delivered to the Receiver to support the release/disbursement of trust funds to 2012241. The Receiver has received advice from its counsel that release of deposits are not permitted by the provisions of the *Condominium Act*, 1998, S.O. 1998, c. 19.
25. A further comparison of the June 17, 2011 Trust Ledger and the November 23, 2011 Trust Ledger indicates that the name Harjinder Chahal was removed from the mast-head of the June 17, 2011, Trust Ledger as a lawyer of the firm in question. Our review of the corporation profile report (Appendix "E") indicates that one of the officers and director of 2012241 is a Mr. Ravinder Chahal, who has the same last name as the lawyer whose name is missing from the mast-head of the June 17, 2011 Trust Ledger. Further, one of the entries on the June 17, 2011 Trust Ledger discloses Harjinder Chahal as a purchaser of three of the units, but is not noted as a purchaser of any of the units on the November 23, 2011 Trust Ledger.
26. On November 24, 2011, Blaney McMurtry LLP, counsel for the Receiver, delivered a letter to Sikder requiring the immediate delivery of all deposits held in trust together with all documentation of all documents relating to the purchase and sale of the condominium units.
27. Given the aforementioned facts, including the discrepancies in the trust ledgers, the failure to deliver documentation as requested by the Receiver and the release of trust funds to the Respondent by Sikder, the Receiver has no confidence in Sikder and seeks an

order for the transfer of all trust deposits presently held by Sikder in respect of the sale of condominium units and the delivery of all documentation in its possession relating to the development, sale and marketing of the condominium units.

#### **FAILURE TO DELIVER DOCUMENTS**

28. On November 15, 2011 the Receiver attended both the Premises and the registered address for the Respondent as indicated in its corporate profile report seeking all of the Respondent's books and records. The Receiver was not provided with the Respondent's books and records but Mr. Chahal agreed to meet with the Receiver at 3pm on November 16, 2011 and provide the required books and records and full disclosure regarding the building of and the status of the Condominium Complex.
29. By e-mail executed on November 16, 2011 between Chahal and the Receiver, Chahal cancelled his 3:00 p.m. meeting with the Receiver. A copy of the e-mail exchange is attached hereto and marked as **Appendix "N"**.
30. Following receipt of Chahal's e-mail attached as Appendix "N" hereto, the Receiver wrote to the Principals requiring immediate compliance with the Appointment Order and providing a preliminary list of documents required. A copy of the letter from the Receiver to the Principals dated November 16, 2011 is attached hereto and marked as **Appendix "O"**.
31. At 6:38 p.m. on November 16, 2011, the Receiver received an e-mail from Roman Humeniuk advising that the Respondent had retained Kerr Waid & Associates to represent it in this matter. The Receiver's understanding is that Mr. Humeniuk may have been assisting the Respondent in its attempt to refinance the indebtedness to the Bank prior to the Receiver's appointment. Ten minutes later, the Receiver forwarded its letter to the Principals to Kerr Waid & Associates. A copy of the e-mail chain containing Mr. Humeniuk's e-mail at 6:38 p.m. and the Receiver's e-mail to Kerr Waid & Associates at 6:48 p.m. are attached hereto and marked as **Appendix "P"**.
32. The Receiver did not receive a response to the request for information contained in the letter attached as Appendix "O" hereto. Furthermore, the Receiver had a telephone

conversation with Mr. R. English of Aird & Berlis LLP, advising that his firm received a telephone call from a representative of Kerr Waid & Associates wherein they were advised that Kerr Waid & Associates had not been formally retained by the Respondent.

33. On November 17, 2011, the Receiver sent an e-mail to the Principals following up on its November 16, 2011 letter. A copy of the e-mail from the Receiver to the Principals is attached hereto and marked as **Appendix "Q"**.
34. The Receiver did not receive a response to its e-mail attached as Appendix "Q" hereto. On November 19, 2011, Domenic Magisano of Blaney McMurtry LLP, counsel for the Receiver, wrote to the Principals requiring a response to the Receiver's letter by no later than 5:00 p.m. on November 21, 2011. A copy of the letter from the Receiver's counsel to the Principals dated November 19, 2011, is attached hereto and marked as **Appendix "R"**.
35. On November 21, 2011, counsel for the Receiver received a response to the November 19, 2011, correspondence with the Principals, indicating that the Respondent had retained Mr. G. Kerr of Kerr Waid & Associates as its counsel.
36. On November 21, 2011, Mr. Magisano received a telephone call from Mr. G. Kerr of Kerr Waid and Associates. Mr. Kerr advised Mr. Magisano that:
  - a. he has been retained by the Respondent;
  - b. he has instructed his client to fully cooperate with the Receiver. To that end his client was pulling together all of the documents requested by the Receiver and hopes to begin delivering documents in the upcoming days (and hopes to have most of it by the end of the week);
  - c. apparently the principals tried to use \$20,000 of the \$50,000 taken from DUCA to pay Mr. Kerr's retainer. Mr. Kerr advised the Principals he could not accept that as the retainer and instructed his client to return the \$50,000 to the Receiver. Mr. Kerr advises that the Receiver should receive the \$50,000 by the end of the day on November 22, 2011;

- d. Mr. Kerr has contacted Sikder Professional Corporation and asked them to provide all documents relating to the Premises or the Condominium Complex (including an accounting of trust funds); and
  - e. the Principals are in the midst of securing a pool of investors who will be providing sufficient financing to repay the Applicant.
37. Counsel for the Receiver was also advised of concerns and requests by the Respondent pertaining to security, utilities and access to the Premises for ongoing landscaping work, all of which are addressed in the November 21, 2011, correspondence.
38. Counsel for the Receiver requested certain documentation and also advised that as the Receiver has not yet either found or been provided with the documentation requested of the Principals, the Receiver was not in a position to have a definitive discussion on those administrative matters.
39. Mr. Kerr was advised that a motion would be brought on November 25, 2011, if the Respondent failed to comply with the details outlined in November 21, 2011, correspondence.
40. On November 21, 2011, counsel for the Receiver contacted Mr. Sikder of Sikder Professional Corporation advising of the request the books, records and documents referenced in paragraph 20 of this Report.
41. A response to the November 21, 2011, correspondence from Mr. Sikder was received by counsel to the Receiver on November 22, 2011, advising that Mr. Kerr had confirmed that all such documents would be forwarded to the Receiver by the Respondent.
42. While it is always important for a Receiver to have access to the books and records of a company in receivership, it is particularly important (and urgent) that the Receiver obtain the documents requested in its November 17, 2011 letter.
43. As previously discussed, certain people have already taken possession of units in the Condominium Complex. Without the documentation requested the Receiver has no way of knowing the basis on which the particular unit holders have taken possession (or if



they are in fact entitled to take possession), whether there are additional amounts owing from these unit holders, whether additional unit holders will be moving into the Condominium Complex in the upcoming days and weeks and what legal and financial responsibilities may exist.

44. Furthermore, the Receiver cannot assess whether the Principals have acted on the threats made in the Chahal E-Mail and if acted upon, whether the Receiver can reverse the actions in question.
45. Based on the Receiver's written request, DUCA also provided the Receiver with a copy of the Respondent's bank statements and cancelled cheques for the twelve (12) months prior to the date of the Receiver's appointment. The Receiver is currently reviewing those bank statements for transactions to determine which parties may have information concerning the assets, properties and undertakings of the Respondent.
46. As of the date of this First Report, the Respondent has begun sending copies of certain documents that he has deemed important to the Receiver. Many documents listed in the November 16, 2011 letter however, remain outstanding.

#### **POST RECEIVERSHIP WITHDRAWAL FROM RESPONDENT'S BANK**

47. As previously mentioned, on the evening of November 15, 2011 the Receiver personally delivered a copy of the Appointment Order to Chahal. The Appointment Order was also attached to the Receiver's letter attached as Appendix "O" to this First Report.
48. Notwithstanding receipt of the Appointment Order on November 15, 2011, a representative of the Respondent issued a bank draft (without the Receiver's knowledge or consent) from the Respondent's bank account at DUCA the very next day, prior to the Receiver determining the existence of accounts at DUCA and putting DUCA on notice to freeze all accounts on that same day. The bank draft was in the amount of \$50,000 and payable to Rena Setwant Dhaliwal (the "**Bank Draft**"). The Receiver does not know the relationship between Rena Setwant Dhaliwal and the Respondent but notes that the last name is the same as one of the Principals. A copy of the bank draft is attached hereto and marked as **Appendix "S"**.

49. The Bank Draft is dated November 16, 2011, a day after the Appointment Order was granted and personally delivered to Chahal.
50. After withdrawal of the bank draft, the Respondent's account at DUCA still contained \$14,461.45. This amount has been forwarded to the Receiver by DUCA and deposited by the Receiver into its trust bank account maintained with the Applicant for the administration of this receivership.
51. As part of its letter dated November 19, 2011, counsel to the Receiver demanded that the funds withdrawn pursuant to the Bank Draft be returned by 5:00pm on November 21, 2011. As of the date of this First Report the funds in question have not been returned.
52. The funds withdrawn by way of the Bank Draft were finally delivered to the Receiver on November 24, 2011.

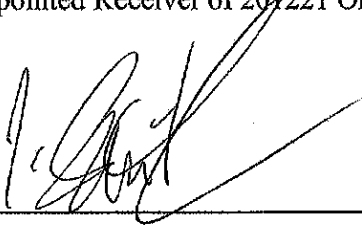
**COURT APPROVAL AND DIRECTION**

53. The Receiver seeks an Order approving the within report and further seeks an Order in the form attached as Schedule A to the Notice of Motion.

All of which is respectfully submitted this 24<sup>th</sup> day of November, 2011.

**IRA SMITH TRUSTEE & RECEIVER INC.**  
Court-Appointed Receiver of 201221 Ontario Limited

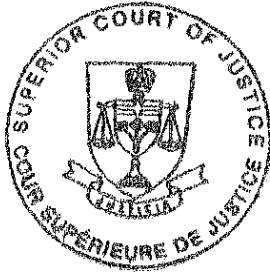
Per:



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President

# APPENDIX A



Court File No. CV-11-9456-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE *mf* ) TUESDAY, THE 15<sup>TH</sup>  
JUSTICE *Cr Ambrose* ) DAY OF NOVEMBER, 2011  
)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

2012241 ONTARIO LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY  
ACT, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE COURTS OF JUSTICE  
ACT, R.S.O. 1990 c. C.43, as amended**

**ORDER**

**THIS APPLICATION** made by the Applicant, *ex parte*, 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 and Receiver Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2012241 Ontario Limited (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 Kenneth Malcolm sworn November 10, 2011 and the exhibits thereto, and the affidavit of Theresa Kellen sworn November 15, 2011 and the exhibits attached thereto and on hearing the submissions of counsel for Applicant and on reading the consent of Ira Smith Trustee and 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 record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

**APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ira Smith Trustee and Receiver Inc. 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").

**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 of 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 undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$150,000; 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, and in each case the Ontario Bulk Sales Act shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and



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

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

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

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or

provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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

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

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

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of

the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that 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.

#### **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, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal 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 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

**GENERAL**

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

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

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

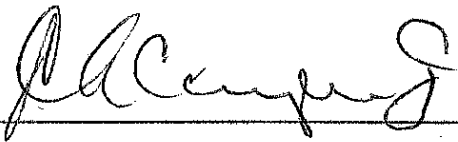
27. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is 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.

28. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than <sup>Two (2) All</sup> ~~seven (7)~~ days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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

NOV 15 2011

PERMANENT 

Schedule "A"

RECEIVER CERTIFICATE

CERTIFICATE NO.

AMOUNT \$

1. THIS IS TO CERTIFY that Ira Smith Trustee and Receiver Inc., the receiver (the "Receiver") of the assets, undertakings and properties 2012241 Ontario Limited 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 \_\_\_\_\_ of MONTH, 20YR (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 MONTH, 20YR.

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

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

Name:

Title:

11369058.1

11369058\_1

THE TORONTO-DOMINION BANK

and

2012241 ONTARIO LIMITED

Applicant

Respondent

Court File No. CV-11-9456-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER

**AIRD & BERLIS LLP**  
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**Sanj Sood – LSUC No. 42137R**

Lawyers for the Applicant

## **APPENDIX B**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

and

2012241 ONTARIO LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, as amended**

**AFFIDAVIT OF KENNETH J. MALCOLM  
(Sworn November 10, 2011)**

I, KENNETH J. MALCOLM, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Manager, Commercial Credit, Financial Restructuring Group, of the applicant ("**TD Bank**"). I am the individual at TD Bank now responsible for managing and collecting the loans advanced to the respondent (the "**Debtor**"). As such, I have knowledge of the matters to which I hereinafter depose. To the extent that I do not have direct first-hand knowledge of particular facts or events, I have obtained that information from others, and have indicated the source of that information in my affidavit, which I believe to be true.

### THE PURPOSE OF THE APPLICATION

2. TD Bank is seeking an order to appoint Ira Smith Trustee & Receiver Inc. ("**Ira Smith Trustee**"), a licensed bankruptcy trustee, as receiver ("**Receiver**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended ("**BIA**"), and/or section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended ("**CJA**"), without security, of all of the Debtor's current and future assets, undertakings and properties.

### THE INDIVIDUALS AND ENTITIES REFERENCED HEREIN

3. TD Bank is a chartered bank that carries on business throughout Canada, including in Toronto, Ontario.

4. The Debtor is an Ontario corporation. Its registered office address was 470 Chrysler Drive, Unit 20, Brampton, Ontario. Its current registered office address is 97 Sunforest Drive, Brampton, Ontario. Attached hereto as **Exhibit A** is a corporate profile report for the Debtor dated November 7, 2011.

5. The Debtor owns certain lands known municipally as 50 Sunny Meadow Circle, Brampton, Ontario (the "**Property**"), on which it is building a three storey commercial condominium (the "**Condominium**"). The Property's legal description is attached at Schedule A to this affidavit. A parcel register for the Property, dated November 7, 2011 (the "**Parcel Register**"), is attached hereto as **Exhibit B**.

6. Ravinder Singh Chahal ("**Chahal**") is an Ontario resident. He is an officer and director of the Debtor and holds fifty percent of the Debtor's shares.

7. Jagdev Dhaliwal ("**Dhaliwal**") is an Ontario resident. He is an officer and director of the Debtor and holds fifty percent of the Debtor's shares. I am unaware who Jagdev Dhaliwal and Jasdev Dhaliwal are even though they are listed to be directors of 201.

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8. 1611161 Ontario Limited ("161") is an Ontario corporation. Sandeep Chahal and Jaldev Dhaliwal are reported to be the directors of 161. A corporate profile report for 161 dated November 7, 2011, is attached hereto as **Exhibit C**.

#### **THE DEBTOR'S INDEBTEDNESS TO TD BANK**

##### ***The Loan Agreement***

9. The Debtor is, as at October 26, 2011, indebted to TD Bank in the amount of \$12,729,112.54, plus legal fees, pursuant to a commitment letter dated July 3, 2008, as amended by commitment letters dated December 12, 2008, July 28, 2009, January 27, 2010, June 23, 2010 and March 30, 2011 (collectively the "**Loan Agreement**"), between the Debtor and TD Bank. Interest and fees continue to accrue. The Loan Agreement is attached hereto as **Exhibit D-1 – D-6**.

10. The Loan Agreement provides that TD Bank will make available to the Debtor two credit facilities (together the "**Loan**"), as follows:

- (a) A loan, repayable on demand, in the amount of \$12,225,883, with interest accruing at TD Bank's prime rate of interest (as defined in the Loan Agreement) plus 1.75% *per annum*, to finance construction of the Property (the "**First Credit Facility**"); and
- (b) Letters of Credit/Guarantee in the amount of \$274,117, with interest accruing at 1.00% *per annum*, to support performance guarantees issued by the Debtor (the "**Second Credit Facility**").

11. Interest on the First Credit Facility is calculated daily and payable monthly in arrears based on the number of days that the monies are outstanding. Interest on the Second Credit Facility is payable monthly in advance.



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12. As set out below, the Loan Agreement was amended on several occasions because, among other things, the Debtor failed to repay the Loan Agreement in accordance with its terms.

13. The July 3, 2008 commitment letter (Exhibit D-1) provides that the Debtor shall repay the First Credit Facility by January 31, 2010, assuming that the First Credit Facility was activated in July 2008. If the First Credit Facility was not activated in July 2008, then the Debtor was obliged to repay the First Credit Facility within eighteen months of activation. The First Credit Facility was activated on December 18, 2008.

14. At the Debtor's request, the date for repayment of the First Credit Facility was extended to May 31, 2010, pursuant to a commitment letter dated January 27, 2010 (Exhibit D-4).

15. Pursuant to a further request from the Debtor, the date for repayment of the First Credit Facility was again extended, to November 30, 2010, pursuant to a commitment letter dated June 23, 2010 (Exhibit D-5).

16. Pursuant to yet another request from the Debtor, the date for repayment of the First Credit Facility was again extended, to June 15, 2011, pursuant to a commitment letter dated March 30, 2011 (Exhibit D-6).

17. Alan Bensky, Vice-President, Mississauga Real Estate, was the individual at TD Bank who was managing the Debtor's account when the above-noted extensions to repay the First Credit Facility were requested by the Debtor. I am advised by Mr. Bensky, and believe, that each time that the repayment term of the First Credit Facility was extended, it was because:

- (a) the Debtor had not completed the measures required to register the Condominium;

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- (b) the Debtor was accordingly unable to close the agreements of purchase and sale in which it had entered with purchasers of the Condominium's units; and
- (c) as a result, the Debtor had not received proceeds of sale from the aforementioned purchasers from which it could repay the First Credit Facility.

***The Security – General Security Agreements***

18. The Debtor's indebtedness to TD Bank is secured by the following:
- (a) a general security agreement made by the Debtor in favour of TD Bank (the "Debtor GSA"), dated September 10, 2008, along with a corporate resolution authorising the Debtor to grant the GSA, and a lawyer's letter of opinion, all of which are attached hereto as **Exhibit E**; and
  - (b) a general security agreement from 161 (the "161 GSA"), dated September 10, 2008, along with a corporate resolution from 161 authorising 161 to grant the GSA, and a lawyer's letter of opinion, all of which are attached hereto as **Exhibit F**.
19. TD Bank made the following registrations pursuant to the *Personal Property Security Act* (Ontario) (the "PPSA") in respect of its security interest in the Debtor's and 161's assets:
- (a) on August 7, 2008, for five years, pursuant to Registration No. 20080807 0938 1862 6843 against the inventory, equipment, accounts, other (motor vehicle included) of the Debtor; and
  - (b) on August 7, 2008, for five years, pursuant to Registration No. 20080807 0936 1862 6842 against the inventory, equipment, accounts, other (motor vehicle included) of 161.

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20. A copy of the PPSA search results for the Debtor, with currency to September 29, 2011, is attached hereto as **Exhibit G**. A copy of the PPSA search results for 161, with currency to September 29, 2011, is attached hereto as **Exhibit H**.

21. By virtue of the PPSA registrations referenced above, the TD Bank security constitutes a perfected security interest in and to all of the assets and undertaking of the Debtor and of 161. Further, TD Bank holds a first registered priority general security interest against the inventory, equipment, accounts, and other (motor vehicle included) of the Debtor and of 161.

***The Security – Collateral Mortgage Granted to TD Bank Against the Property***

22. As further security for its obligations, the Debtor granted TD Bank a demand collateral mortgage on the Property in the amount of \$12,500,000 (the "**TD Bank Mortgage**"). The TD Bank Mortgage was registered against title to the Property as a first Charge/Mortgage in the applicable land registry office on October 20, 2008 as instrument number PR1554408. The TD Bank Mortgage, along with the standard charge terms and a signed acknowledgement of receipt of the standard charge terms are attached hereto as **Exhibit I**.

23. The Parcel Register (attached at Exhibit B) evidences four encumbrances registered prior to that of TD Bank, all in favour of 1448037 Ontario Limited ("**144**"). Each one of these encumbrances has been subordinated and postponed by 144 in favour of the TD Bank Mortgage, as follows:

- (a) a charge in the original principal amount of \$400,000, attached hereto as **Exhibit J**, registered as instrument number PR1418741 on February 21, 2008, was postponed in favour of the TD Bank Mortgage pursuant to an Acknowledgment and Direction (Postponement of \$400,000 Charge), attached hereto as **Exhibit K**, and registered against title to the Property on November 18, 2008 as instrument number PR1569920;

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- (b) an encumbrance pertaining to the assignment of rents, attached hereto as **Exhibit L**, and registered as instrument number PR1418749 on February 21, 2008, was postponed in favour of the TD Bank Mortgage pursuant to an Acknowledgment and Direction (Postponement of GAR re: \$400,000 Charge), attached hereto as **Exhibit M**, and registered against title to the Property on November 18, 2008 as instrument number PR1569921;
- (c) a charge in the original principal amount of \$864,070, attached hereto as **Exhibit N**, registered as instrument number PR1539845 on September 25, 2008, was postponed in favour of the TD Bank Mortgage pursuant to an Acknowledgment and Direction (Postponement of \$864,070.00 Charge), attached hereto as **Exhibit O**, and registered against title to the Property on November 18, 2008 as instrument number PR1569922; and
- (d) an encumbrance pertaining to the assignment of rents, attached hereto as **Exhibit P**, registered as instrument number PR1539924 on September 26, 2008, was postponed in favour of the TD Bank Mortgage pursuant to an Acknowledgment and Direction (Postponement of GAR re: \$864,070.00 Charge), attached hereto as **Exhibit Q**, and registered against title to the Property on November 18, 2008 as instrument number PR1569923.

24. In addition to the subordination and postponement of the encumbrances referenced above, TD Bank and 144 also entered into an Acknowledgement of Priority and Standstill Undertaking (the "**Standstill Undertaking**"), attached hereto as **Exhibit R**, and registered against title to the Property as instrument number PR1681378 on August 5, 2009. This agreement provides that TD Bank shall have undisputed priority over all rights, title and interest which 144 may have in the Property pursuant to its registrations.

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25. Additionally, TD Bank, 144, 161, Chahal, Dhaliwal and the Debtor entered into an Inter-Lender Agreement on September 22, 2009, attached hereto as **Exhibit S**, and registered against title to the Property as instrument number PR1720150 on October 15, 2009. Pursuant to this agreement, all of the parties to this agreement consented to be bound by the terms of the Standstill Undertaking.

26. As a result of all of the above, the TD Bank Mortgage represents a first charge against title to the Property.

27. The Parcel Register also reveals that the following additional instruments have been registered on title since the Debtor granted TD Bank the TD Bank Mortgage:

Instrument No.	Document Type	Granted to/on
PR1785468	Application (General) being a Certificate of Pending Litigation	H S G Properties Incorporated
PR1803331	Postponement of the Certificate of Pending Litigation to PR1554408 (Charge in favour of TD)	H S G Properties Incorporated
PR1982084	Construction Lien in the amount of \$383,399	Versa Construction Limited
PR2003837	Certificate of Action in connection with the above construction lien	Versa Construction Limited

28. Additionally, I have learned that there are currently tax arrears relating to the Property owed to the City of Brampton totalling \$29,220.18 as of October 4, 2011. A copy of the tax certificate is attached hereto as **Exhibit T**.

**Additional Security**

29. TD Bank also received the following additional security:
- (a) an unlimited corporate guarantee from 161, dated September 10, 2008, attached hereto as **Exhibit U**;
  - (b) personal guarantees from Chahal and Dhaliwal, each limited to the amount of \$4 million, attached hereto as **Exhibits V** and **W** respectively;
  - (c) Assignment of Term Deposits and Credit Balances in the amount of \$500,000 issued by the Debtor, attached hereto as **Exhibit X**;
  - (d) General Hypothecation of Stocks and Bonds issued by the Debtor, attached hereto as **Exhibit Y**.

**THE DEBTOR'S DEFAULTS ON ITS OBLIGATIONS TO TD BANK*****The Failure to Make Payments Due to TD Bank – Repayment of the First Credit Facility***

30. The Loan Agreement provides that the Debtor shall repay the First Credit Facility by June 15, 2011. The First Credit Facility was not repaid on this date. As of the date of this affidavit, the First Credit Facility has still not been repaid.

***The Failure to Make Payments Due to TD Bank – Extension Fee***

31. When the date for repayment of the First Credit Facility was extended from November 30, 2011 to June 15, 2011, the Debtor agreed to pay TD Bank an extension fee of \$60,000. As of the date of this affidavit, the Debtor has failed to pay this amount to TD Bank.

***The Failure to Make Payments Due to TD Bank – Repayment of Overdraft***

32. Further, the Debtor has allowed its account to remain overdrawn by \$75,000, which overdraft has not been repaid.

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33. TD Bank permitted the overdraft because the Debtor advised TD Bank that it was required to pay Versa Construction Limited ("**Versa Construction**"), the general contractor retained by the Debtor to construct the Condominium, the final holdback due to it. The Debtor advised TD Bank that although it had the majority of the funds to pay the final holdback, it required some further funds to make the full payment.

34. The overdraft was accordingly authorized for the purpose of allowing the Debtor to pay the full amount of the final holdback to Versa Construction. The overdraft was to be repaid.

35. As set out below, Versa Construction has registered a lien against title to the Property. The Debtor has not advised TD Bank the reason that this lien was registered given that it was required to use the overdraft to pay the full amount of the final holdback due to Versa Construction. In any event, the overdraft has still not been repaid.

***The Failure to Make Payments Due to TD Bank – Interest Payments***

36. Further, contrary to the terms of the Loan Agreement, commencing August 31, 2011 and continuing to the date that this affidavit is sworn, being a period of approximately three months, the Debtor has failed to make the monthly interest payments due to TD Bank. As at October 20, 2011, interest arrears are approximately \$147,000 and continue to accrue.

***The Failure to Discharge Liens Registered Against Title to the Property***

37. The Loan Agreement provides that in the event that construction liens are registered against title to the Property, such liens are to be cleared from title to the Property no later than thirty days after they are registered.

38. Contrary to its obligations in this regard, as of the date of my affidavit, the Debtor has failed to discharge a construction lien registered by Versa Construction Limited against title to the Property on March 30, 2011 as Instrument No. PR1982084 in the amount of \$383,399 (the

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"Versa Lien"). The Versa Lien and the associated Certificate, which was registered against title to the Property on May 16, 2011, as Instrument No. PR2003837, are attached hereto as **Exhibit Z**.

**THE OCTOBER 4<sup>TH</sup> MEETING WITH THE DEBTOR**

39. On October 4, 2011, I attended at the Property and met with Chahal. I was concerned with the Debtor's failure to pay the amounts due to TD Bank and its failure to discharge the Versa Lien. These failures suggested to me that the Debtor did not have the financial means to meet its obligations to TD Bank.

40. I was also concerned about the status of agreements of purchase and sale entered into by purchasers of units in the Condominium. The Debtor had missed the June 15, 2011 deadline to repay the First Credit Facility, presumably because it was unable to register the Condominium. Although TD Bank had previously agreed to extend the date for repayment of the Loan, as set out above, the Debtor had not provided TD Bank with evidence that agreements of purchase and sale with unit holders had been similarly extended. I was concerned that the significant delays in registering the Condominium could result in purchasers rescinding their agreements to purchase units in the Condominium, over which TD Bank has security, and TD Bank required comfort that its security was not in jeopardy.

41. Accordingly, the purpose of the meeting, from my point of view, was to determine:
- (a) why the Debtor had failed to make the interest payments due pursuant to the Loan Agreement;
  - (b) why the Debtor had not repaid the overdraft;
  - (c) why the Debtor had failed to vacate the Versa Lien;



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- (d) the status of the Condominium project;
- (e) when the Condominium was likely to be registered and the TD Bank repaid;
- (f) the status of the purchase and sale agreements with buyers who had purchased units in the Condominium; and
- (g) the status of existing and additional cost over-runs.

42. I also intended on impressing on Chahal and Dhaliwal the need to immediately repay to TD Bank the interest arrears, the overdraft and the extension fee, and to retain an expert to review the Debtor's financial wherewithal, the status of the agreements of purchase sale, review why there had been a delay in registering the Condominium, and determine how the registration of the Condominium could be expedited and the agreements of purchase and sale with purchasers of the units closed.

43. At the meeting, Chahal gave me a tour of the Condominium. I noted that some units appeared to be occupied. Chahal confirmed to me that some purchasers had closed on an interim basis. Assuming this to be true, I expected that these purchasers would be paying the Debtor interim occupancy fees. I was accordingly concerned why the Debtor had failed to fulfill its monetary obligations to TD Bank, since it should be receiving this stream of revenue.

44. Once the tour was completed, I expressed my concerns to Chahal about the Debtor's failure to pay the amounts owed to TD Bank, the delay in registering the Condominium, and the failure to repay the Loan. Chahal stated that he understood and appreciated TD Bank's concerns. He advised me that he would cause the Debtor to:

- (a) immediately pay the interest arrears, the overdraft and the extension fee; and

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- (b) retain, at the Debtor's own cost, a consultant suggested by TD Bank, to review and assess the Debtor's books, records, assets and operations (the "**Review and Assessment**"), and report on:
- (i) the agreements of purchase and sale entered into by the Debtor with purchasers of the Condominium's units, including all amending or extension agreements, and the reconciliation of the deposits being held in trust as they relate to such agreements;
  - (ii) the status of the registration of the Condominium and the reasons for the delay in registering it; and
  - (iii) any other matter pertaining to the Debtor's viability and relationships with its creditors.

***THE DEBTOR RENEGES ON THE OCTOBER 4<sup>TH</sup> AGREEMENT***

45. Between October 4, 2011 and October 26, 2011, the Debtor engaged in a course of conduct in which it appeared to be renegeing on the agreement that we reached on October 4, 2011, and to avoid its payment obligations to TD Bank and its commitment to retain a consultant to conduct the Review and Assessment.

46. By email dated October 7, 2011, attached hereto as **Exhibit AA**, I wrote to Chahal and asked that he contact me immediately. I was required to communicate with Chahal in this manner because he rarely, if ever, answered the telephone when I called him, and his voicemail was unable to accept messages because the mailbox was inevitably full and would not accept messages.

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47. When Chahal returned my call, I reminded him of the commitments that he made on October 4, 2011 to repay the monies owed to TD Bank and to engage a consultant to conduct the Review and Assessment.

48. On October 12, 2007, Chahal responded by email and asked me to send him a breakdown of the funds that he had agreed to pay. This email is attached hereto as **Exhibit BB**.

49. That same day, I responded to Chahal by email, attached hereto as **Exhibit CC**. I confirmed to Chahal that the monies were due no later than October 14, 2011, and provided him with a detailed breakdown of the amounts TD Bank required the Debtor to pay, as follows:

		<b>Rounded*</b>
Overdraft	\$73,491.02	
Interest Due	<u>\$ 887.88</u>	
Total	\$74,378.90	<b>\$74,000</b>
Demand Loan		
Interest Aug/Sept	\$98,644.16	
Oct to Oct. 20, 2011	<u>\$47,731.19</u>	
Total	\$146,375.35	<b>\$147,000</b>
Monthly Letter of Credit Fees	\$228.43	<b>\$1,000</b>
Contingency		<b>\$3,000</b>
Negotiated Default Fee Due June 30, 2011	\$60,000.00	<b>\$60,000</b>
<b>Total</b>		<b>\$285,000*</b>

\*Includes contingencies

50. I am advised by Marty Wolfe, a chartered accountant employed at Ira Smith Trustee, the consultant selected by TD Bank to conduct the Review and Assessment, and believe, that on October 11, 2011, he wrote to Chahal, enclosed the engagement letter which outlined the

- 15 -

services to be performed by Ira Smith Trustee, and scheduled a meeting for October 12, 2011. Mr. Wolfe's email to the Debtor, and the engagement letter, are attached hereto as **Exhibit DD**.

51. By email dated October 11, 2011, attached hereto as **Exhibit EE**, Chahal wrote to Wolfe and advised him that he would be forwarding the engagement letter ". . .to my Lawyer and waiting for thier instructions, will contact you as soon as he has reviewed it. I guess their is no sense in meeting tomorrow untill I get my councils input" [sic].

52. That same day, Wolfe responded to Chahal by email, which is attached hereto as **Exhibit FF**. Wolfe advised Chahal that it was of great urgency that the meeting take place the following day, to advise his lawyer that time is of the essence, and that he would not cancel the meeting that had been scheduled.

53. On October 11, 2011, Chahal responded to Wolfe by email, attached hereto as **Exhibit GG**, and stated that:

That is impossible, I have a large investment here that I have to protect and make sure all my clients interests are protected, are you trying to force yourself upon this project without our council properly instructing us? I will met with you when my council has time and instructed us. You are to work with us not against us, and if that is your manner then we will do everything to protect ourselves, we are in our final stages ok getting off work condominium registered, we do not want to take any actions work that will jeopardize everybody's interests!!! [sic]

54. Wolfe responded to this email by requesting that the Debtor sign the engagement letter by the end of day tomorrow (October 12) or at the latest by noon on Thursday (October 13, 2011). This email is attached hereto as **Exhibit HH**.

55. Chahal responded to Wolfe's request by email dated October 11, 2011 and stated that he wished to work with Wolfe and anticipated to be able to meet on Thursday (October 13) morning. This email is attached hereto as **Exhibit II**.

- 16 -

56. I am advised by Wolfe, and believe, that on October 12, 2011, Chahal unilaterally cancelled the meeting scheduled for October 13, 2011, and re-scheduled it for the following day (October 14, 2011).

57. On October 13, 2011, I wrote to Chahal and directed him to provide Wolfe with the cheque for \$285,000 when they met. This email is attached hereto as **Exhibit JJ**.

58. I am advised by Wolfe, and believe, as follows:

- (a) he attended at the Debtor's premises on October 14, 2011, for a meeting;
- (b) the purpose of the meeting was to collect the engagement letter signed by the Debtor, collect the cheque in the amount of \$285,000 and commence the Review and Assessment;
- (c) he met with Chahal and Dhaliwal;
- (d) after receiving a tour of the Condominium, he was provided with an uncertified cheque made payable to TD Bank in the amount of \$285,000;
- (e) the cheque was post-dated to October 20, 2011; and
- (f) he was advised by Chahal and Dhaliwal that the engagement letter was not signed because it had not been reviewed by the Debtor's legal counsel, however, its lawyer would do so on Monday (October 17, 2011).

59. On October 16, 2011, I received an email from Chahal, which is attached hereto as **Exhibit KK**. The email provides as follows:

Kenneth, hope you had a great weekend,

- 17 -

did you received the check? please deposit so we can bring our account up to date, I was jut told by Jagdev that the funds where on hold on our account till Tuesday that is why he wrote Thursday, if I would of known this I would of went to the branch myself to get the funds cleared RIGHT AWAY AS SOON AS DEPOSITED, I will go to the branch tomorrow to see if i can get it cleared, if not our checks don't bounce and it Will cleared as soon as it is deposited> [sic]

60. I understood this email to mean that TD Bank should proceed to deposit the cheque and that the Debtor would take measures to ensure that is clears. TD Bank was unable to immediately deposit the cheque, however, since it was post-dated to October 20, 2011.

61. The Debtor had advised TD Bank that it held a bank account at Duca Financial Services Credit Union Ltd. ("**Duca Financial**"). Accordingly, on October 20, 2011, I attended at Duca Financial to attempt to certify the cheque provided to me by the Debtor. A copy of the cheque is attached hereto as **Exhibit LL**. The branch manager with whom I spoke, named Ramsey Fashho, advised me, and I believed, that Duca Financial would not certify the cheque as there were insufficient funds in the Debtor's bank account to honour it.

62. I accordingly deposited the cheque for conventional clearing on October 20, 2011. Despite Chahal's representations contained in his email dated October 16, 2011, the cheque was dishonoured. A copy of the cheque and Returned Item Advice dated October 24, 2011 is attached hereto as **Exhibit MM**.

63. As of the date of my affidavit, the Debtor:

- (a) has failed to provide TD Bank with a replacement cheque or otherwise pay the amount of \$285,000 as agreed on October 4, 2011;
- (b) has failed to return a signed engagement letter permitting the consultant to engage in the Review and Assessment;

- 18 -

- (c) has failed to repay the Loan;
- (d) has failed to provide TD Bank with details regarding the delay in the status of the registration of the Condominium; and
- (e) has failed to provide TD Bank with details regarding the status of the agreements of purchase and sale entered into between the Debtor and the purchasers of Condominium units.

#### **TD BANK ISSUES DEMANDS AND SECTION 244 NOTICES AND THE FALLOUT**

64. Accordingly, TD Bank caused demand letters and notices of intention to enforce its security under section 244(1) of the BIA to be issued on October 26, 2011. Copies of these demands and notices are attached hereto as **Exhibit NN**.

65. On November 5, 2011, the day that the stay period under section 244(1) of the BIA was to expire, I received an email from Chahal. He advised me that the demands and notices had been sent to the Debtor's previous address and not its current registered office address. He acknowledged receiving the demands and notices on November 1, 2011, and that the ten day stay period would accordingly expire on November 11, 2011. This email is attached hereto as **Exhibit OO**.

66. On November 7, 2011, I received a letter from the Debtor, which is attached hereto as **Exhibit PP**. Chahal advised me in the letter that the Debtor intends to close agreements of purchase and sale with purchasers of units in the Condominium by January 30, 2012. However, on page three of this letter, the Debtor set out a list of twelve items that need to be completed before the Condominium could be registered. Many of the items on the list are dependent on third parties completing various reviews, including the City of Brampton, Peel Region, the Land Titles Registry, and the architect. In my experience, given the number of tasks that remain to be

completed, it is unlikely these will be completed by January 30, 2012 and that the agreements of purchase and sale will close by January 30, 2012.

67. I am also concerned by the fact that the Debtor, in the letter:

- (a) states that the Debtor has removed all of its funds held in the bank account at Duca Financial and moved them to a different institution, which institution is not disclosed;
- (b) states that Chahal has advised purchasers of units that TD Bank may be bringing power of sale proceedings and stating to them that TD Bank has interfered with the Debtor's general contractors, thereby causing delay; and
- (c) threatens to release deposits to purchasers and cancel agreements of purchase and sale ". . . for those requesting same...", or, for all purchasers who still want the units, to ". . . amend the purchase price on units to compensate for their loss of income and value caused by delays. . ." even though the purchasers ". . . all are willing and ready close their deals when I tell them we are ready to close."

68. Chahal appears to threaten that if TD Bank takes measures with which the Debtor does not agree, then the Debtor will take measures to undermine the value of TD Bank's security by cancelling agreements of purchase and sale or making payments to purchasers.

69. The appointment of a Receiver to attend at the Debtor's premises, preserve the Debtor's assets, conduct a review of the status of the registration of the Condominium and the agreements of purchase and sale with purchasers of units is necessary for the protection and realisation of TD Bank's interests and the interests of all stakeholders, including all construction lien claimants. It is also in the interests of purchasers of units in the Condominium, including



- 20 -

those who have closed on an interim basis, to ensure that the Condominium is registered in an expeditious manner and the agreements of purchase and sale are closed.

#### **THE NEED FOR A RECEIVER**

70. It is just and equitable that a Receiver be appointed because the Debtor has committed events of default under the Loan Agreement and TD Bank's security, and has jeopardised the value of its security, by:

- (a) failing to pay the interest due to TD Bank pursuant to the Loan Agreement;
- (b) failing to discharge the Versa Lien within thirty days of its registration;
- (c) failing to repay the overdraft;
- (d) failing to account for the use of the funds for which the over-draft was authorised;
- (e) reneging on an agreement to pay TD Bank \$285,000 for interest arrears, repayment of the over-draft and the extension fee;
- (f) providing TD Bank with a cheque that it was unable to negotiate and which was dishonoured;
- (g) reneging on an agreement to retain a consultant to conduct the Review and Assessment;
- (h) failing to provide TD Bank details regarding the delay in registering the Condominium or the status of agreements of purchase and sale; and
- (i) failing to repay the Loan.



## **APPENDIX C**

**Sanj Sood**

---

**From:** ravi chahal [mailto:ravi@chahalwiltshire.com]  
**Sent:** Tuesday, November 15, 2011 3:01 PM  
**To:** MALCOLM, Kenneth  
**Subject:** No option if I don't get a phone call by 5 today

You leave me with option we are going to go to court to file a law suit against TD, as we were treated unfairly and the court will give us a chance and hear is out for example,;

1.) Your surprise meeting that we had in our office

2.) You tried to enforce trustee upon me and the statement breakdown included \$60000 for default and earlier it was that this amount was for an extension. Our account was not to circulated properly

1. I held an emergency meeting with all the purchasers of the units on Sunday October 16 to 18. During which I had disclosed then current situation of possible power of sale proceedings by Td Bank. I had forward then my email correspondence to the purchasers to be reviewed with their lawyers showing direct interference of Td with our general contractors from august 2010 to July 2011, taking the power out of our hands and causing delays. All the purchasers have reviewed the situation with their lawyers and have been advised that the delays were caused due to the bank which lead to loss of tenants, loss of income, loss of value and their lawyers have advice to release \$20,000 from their deposits to me to retain a lawyer to file a claim against TD Bank , . If I don't get a response by 3 o'clock today I am thinking of two options;

A. I will release all deposits to the purchasers and cancel all agreement of purchase and sale. Mutual release all the agreements releasing them of their responsibilities completely. As per the mutual release \$20,000 will be released to Ravinder Singh Chahal, which will be used to retain a lawyer to file a claim as TD Bank.

B. And for all purchasers who still want the units I will amend the purchase price on the units to be sold for \$95 per sq foot, to compensate for their loss of income and value caused by delays. I will be ensuring that each and everyone purchaser has interest and the full ability to close the units, which you can try to argue in court with each and every purchaser and to pursue this on their own would take you a few years.

After my meeting with the Purchaser's they have given me in writing their total confidence and also the authorization to make decision on their behalf for the completion of the project. They all are willing and ready close their deals when I tell them we are ready to close.

2. I have advised all of my engineers that as per part of our contract they are working with us in full confidentiality and not the bank, you can hire your own engineers to reverse the engineering and then do your registration from scratch, as I will be destroying all engineering reports, drawings and cancelling contracts with all engineers and other trustees.

3. We had hired a Real estate company to sell the units. Their clients are willing and able to close and if the units don't close they will go to court for their full commission. If we amend the price on the agreement they will claim the difference of their commission between the new and the old agreement. Once TD Bank takes over all commission statements will be transferred over and they will hold the bank liable to pay their commission, as you will be taking over the project.

4. You are forcing me hire Solicitor and Trustee to file for bankruptcy and getting Bankruptcy protection. Everything I have is in this project and after I claim bankruptcy there is nothing you can claim from me as I don't own anything else.

As you know buildings are empty everywhere around in Brampton and if I release all my tenants and purchasers you will have to re market the units and try to find tenants again, as I will be placing my tenants into other new and empty facilities in the area, and without any engineering reports, drawings, tenants and purchasers TD will be in a similar situation as the white hotel on Dixon road, which is being demolished now, it will be another financial disaster for TD Bank.

--  
Respectfully!!!

Ravinder Singh Chahal  
Ceo.  
The Chahal Wilshire Group Inc.  
Business Developments and Investments.  
50 Sunny Meadow Blvd Unit 103  
Brampton, Ontario  
L6R 0Y7  
Tel# 416.823.6684  
E-mail: [ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)  
[www.chahalwilshire.com](http://www.chahalwilshire.com)

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## **APPENDIX D**

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

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

and

2012241 ONTARIO LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990 c. C.43, as amended**

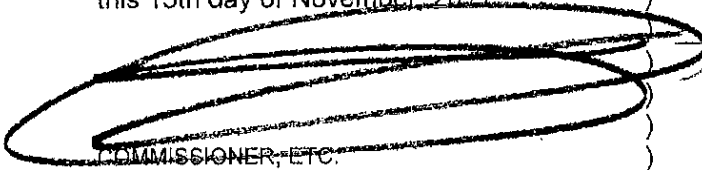
**AFFIDAVIT OF THERESA KELLEN  
(Sworn November 15, 2011)**

I, THERESA KELLEN, of the City of Toronto, MAKE OATH AND SAY AS FOLLOWS:

1. I am a legal assistant employed at Aird & Berlis LLP. I assist Sanj Sood, the lawyer at Aird & Berlis LLP that has carriage of this matter. As such, I have knowledge of the matters to which I hereinafter depose.
2. Attached as Exhibit "A" hereto is a copy of an e-mail received by Kenneth Malcolm from Ravinder Singh Chahal on November 15, 2011 at 1:01 p.m.
3. Attached as Exhibit "B" hereto is a copy of an e-mail sent by Kenneth Malcolm to Ravinder Singh Chahal on November 15, 2011 at 2:32 p.m.

4. Attached as Exhibit "C" hereto is a copy of an e-mail received by Kenneth Malcolm from Ravinder Singh Chahal on November 15, 2011 at 3:01 p.m.

SWORN BEFORE ME at the City of  
Toronto, in the Province of Ontario,  
this 15th day of November, 2011

  
\_\_\_\_\_  
COMMISSIONER, ETC.

  
\_\_\_\_\_  
THERESA KELLEN



**Sanj Sood**

---

**From:** ravi chahal [mailto:ravi@chahalwilshire.com]  
**Sent:** Tuesday, November 15, 2011 01:01 PM  
**To:** MALCOLM, Kenneth  
**Subject:** Hope you had an excellent weekend we got no feed back from your office,

---  
Respectfully!!!

Ravinder Singh Chahal  
Ceo.  
The Chahal Wilshire Group Inc.  
Business Developments and Investments.  
50 Sunny Meadow Blvd Unit 103  
Brampton, Ontario  
L6R 0Y7  
Tel# 416.823.6684  
E-mail: [ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)  
[www.chahalwilshire.com](http://www.chahalwilshire.com)

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This is Exhibit A referred to in the  
affidavit of T. Kellen  
sworn before me, this 15<sup>th</sup>  
day of November 2011

.....  
A COMMISSIONER FOR TAKING AFFIDAVITS  
.....

Theresa Kellen

---

This is Exhibit B referred to in the  
affidavit of T. Kellen  
sworn before me, this 15<sup>th</sup>  
day of November 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

---

**From:** MALCOLM, Kenneth [mailto:kenneth.malcolm@td.com]  
**Sent:** November 15, 2011 2:32 PM  
**To:** 'ravi chahal'  
**Cc:** Dinino, Frank; Zamanis, Dennis  
**Subject:** FW: Hope you had an excellent weekend we got no feed back from your office,

Mr Chahal:

You sent to me an update yesterday on the status of registration. The body of it appears to be something drafted by someone else and forwarded by you. It refers to items which are not attached and to events which cannot be verified as to status and time line from the email. We had asked you to allow a consultant to provide an independent review of the status of the project and you declined to allow that to occur. Accordingly we have no credible or reliable evidence as to the true status of the project.

You have not brought current the interest and other payments that are in arrears as was promised on several occasions.

The cash receipts of the project are being diverted to another financial institution which you have declined to identify.

This situation is not acceptable to TD Bank nor would it be to any other lender. You have generally failed to cooperate in addressing the bank's concerns and the promises that have been given have not been kept. Absent corroboration from an independent consultant, in the circumstances we are not able to rely upon the information or assurances received. We have therefore asked our counsel to deal with the matter and you should hear from them shortly.

Kenneth J. Malcolm | Senior Manager Commercial Credit | Financial Restructuring Group | TD Business Banking  
3140 Dufferin Street, Toronto, Ontario M6A 2T1  
T: 416 785 5108 F: 416 785 5068

---

**From:** ravi chahal [mailto:ravi@chahalwilshire.com]  
**Sent:** Tuesday, November 15, 2011 01:01 PM  
**To:** MALCOLM, Kenneth  
**Subject:** Hope you had an excellent weekend we got no feed back from your office,

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Sanj Sood

---

This is Exhibit C referred to in the  
affidavit of T. Kellen  
sworn before me, this 15<sup>th</sup>  
day of November, 2011

A COMMISSIONER FOR TAKING AFFIDAVITS

**From:** ravi chahal [mailto:ravi@chahalwilshire.com]  
**Sent:** Tuesday, November 15, 2011 3:01 PM  
**To:** MALCOLM, Kenneth  
**Subject:** No option if I don't get a phone call by 5 today

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2.) You tried to enforce trustee upon me and the statement breakdown included \$60000 for default and earlier it was that this amount was for an extension. Our account was not to circulated properly

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B. And for all purchasers who still want the units I will amend the purchase price on the units to be sold for \$95 per sq foot, to compensate for their loss of income and value caused by delays. I will be ensuring that each and everyone purchaser has interest and the full ability to close the units, which you can try to argue in court with each and every purchaser and to pursue this on their own would take you a few years.

After my meeting with the Purchaser's they have given me in writing their total confidence and also the authorization to make decision on their behalf for the completion of the project. They all are willing and ready close their deals when I tell them we are ready to close.

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Respectfully!!!

Ravinder Singh Chahal  
Ceo.  
The Chahal Wilshire Group Inc.  
Business Developments and Investments.  
50 Sunny Meadow Blvd Unit 103  
Brampton, Ontario  
L6R 0Y7  
Tel# 416.823.6684  
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[www.chahalwilshire.com](http://www.chahalwilshire.com)

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THE TORONTO-DOMINION BANK

and

2012241 ONTARIO LIMITED

Applicant

Respondent

Court File No. CV-11-9456-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF THERESA KELLEN  
(sworn November 15, 2011)

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
Suite 1800, Box 754  
181 Bay Street  
Toronto, ON M5J 2T9  
Tel: (416) 863-1500  
Fax: (416) 863-1515

**Sanj Sood** – LSUC No. 42137R  
Lawyers for the Applicant

# APPENDIX E

# CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
2012241	2012241 ONTARIO LIMITED	2002/06/04
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>		<b>Date Amalgamated</b>
		NOT APPLICABLE
97 SUNFOREST DRIVE		<b>Amalgamation Ind.</b>
		NOT APPLICABLE
BRAMPTON		<b>New Amal. Number</b>
ONTARIO		NOT APPLICABLE
CANADA L6Z 3Y5		<b>Notice Date</b>
		NOT APPLICABLE
<b>Mailing Address</b>		<b>Letter Date</b>
		NOT APPLICABLE
JAGDEV DHALIWAL		<b>Revival Date</b>
97 SUNFOREST DR		NOT APPLICABLE
		<b>Continuation Date</b>
		NOT APPLICABLE
BRAMPTON		<b>Transferred Out Date</b>
ONTARIO		NOT APPLICABLE
CANADA L6Z 3Y5		<b>Cancel/Inactive Date</b>
		NOT APPLICABLE
		<b>EP Licence Eff.Date</b>
		NOT APPLICABLE
		<b>EP Licence Term.Date</b>
		NOT APPLICABLE
		<b>Date Commenced in Ontario</b>
		NOT APPLICABLE
		<b>Date Ceased in Ontario</b>
		NOT APPLICABLE
	<b>Number of Directors</b>	
	Minimum Maximum	
	00001 00010	
<b>Activity Classification</b>		
NOT AVAILABLE		



Request ID: 013725311  
Transaction ID: 46014942  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/21  
Time Report Produced: 12:45:31  
Page: 2

# CORPORATION PROFILE REPORT

**Ontario Corp Number**

**Corporation Name**

2012241

2012241 ONTARIO LIMITED

**Corporate Name History**

**Effective Date**

2012241 ONTARIO LIMITED

2002/06/04

**Current Business Name(s) Exist:**

NO

**Expired Business Name(s) Exist:**

NO

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

**Address**

RAVINDER

17 ADRIONDACK CRES

CHAHAL

BRAMPTON  
ONTARIO  
CANADA L6R 1E5

**Date Began**

**First Director**

2008/06/20

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

OFFICER

SECRETARY

Request ID: 013725311  
Transaction ID: 46014942  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/21  
Time Report Produced: 12:45:31  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2012241	2012241 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
JAGDEN DHALIWAL	31 JEWEL CRES.,  BRAMPTON ONTARIO CANADA L6R 2P5

Date Began	First Director	Resident Canadian
2002/06/04	NOT APPLICABLE	
Designation	Officer Type	
OFFICER	OTHER	

Administrator: Name (Individual / Corporation)	Address
JAGDEN DHALIWAL	31 JEWEL CRES.,  BRAMPTON ONTARIO CANADA L6R 2P5

Date Began	First Director	Resident Canadian
2002/06/04	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Request ID: 013725311  
Transaction ID: 46014942  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/21  
Time Report Produced: 12:45:31  
Page: 4

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

**Corporation Name**

2012241

2012241 ONTARIO LIMITED

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

**Address**

JAGDEN  
DHALIWAL

31 JEWEL CRES.,  
  
BRAMPTON  
ONTARIO  
CANADA L6R 2P5

**Date Began**

**First Director**

2002/06/04

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

OFFICER

PRESIDENT

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

**Address**

JASDEW  
DHALIWAL

31 JEWEL CRES

BRAMPTON  
ONTARIO  
CANADA L6K 2P5

**Date Began**

**First Director**

2002/06/04

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

DIRECTOR

Y

## CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>
2012241	2012241 ONTARIO LIMITED

<b>Administrator: Name (Individual / Corporation)</b>	<b>Address</b>
JASDEW DHALIWAL	31 JEWEL CRES  BRAMPTON ONTARIO CANADA L6K 2P5

<b>Date Began</b>	<b>First Director</b>	<b>Resident Canadian</b>
2002/06/04	NOT APPLICABLE	
<b>Designation</b>	<b>Officer Type</b>	
OFFICER	PRESIDENT	

<b>Administrator: Name (Individual / Corporation)</b>	<b>Address</b>
JAGDEV DHALIWAL	31 JEWEL CRES,  BRAMPTON ONTARIO CANADA L6R 2P5

<b>Date Began</b>	<b>First Director</b>	<b>Resident Canadian</b>
2002/06/04	NOT APPLICABLE	
<b>Designation</b>	<b>Officer Type</b>	
OFFICER	OTHER	

# CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2012241	2012241 ONTARIO LIMITED

Administrator: Name (Individual / Corporation)	Address
JAGDEV DHALIWAL	31 JEWEL CRES.,  BRAMPTON ONTARIO CANADA L6R 2P5

Date Began	First Director	Resident Canadian
2002/06/04	NOT APPLICABLE	
Designation	Officer Type	
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
JAGDEV DHALIWAL	31 JEWEL CRES.,  BRAMPTON ONTARIO CANADA L6R 2P5

Date Began	First Director	Resident Canadian
2002/06/04	NOT APPLICABLE	
Designation	Officer Type	
OFFICER	PRESIDENT	

## CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>
2012241	2012241 ONTARIO LIMITED

<b>Administrator: Name (Individual / Corporation)</b>	<b>Address</b>
JAGDEV DHALIWAL	31 JEWEL CRES.  BRAMPTON ONTARIO CANADA L6R 2P5

<b>Date Began</b>	<b>First Director</b>	<b>Resident Canadian</b>
2006/06/04	NOT APPLICABLE	
<b>Designation</b>	<b>Officer Type</b>	
OFFICER	OTHER	

<b>Administrator: Name (Individual / Corporation)</b>	<b>Address</b>
JAGDEV S DHALIWAL	97 SUNFOREST DR  BRAMPTON ONTARIO CANADA L6Z 3Y5

<b>Date Began</b>	<b>First Director</b>	<b>Resident Canadian</b>
2009/06/22	NOT APPLICABLE	
<b>Designation</b>	<b>Officer Type</b>	
DIRECTOR		Y

# CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>
2012241	2012241 ONTARIO LIMITED

<b>Administrator: Name (Individual / Corporation)</b>	<b>Address</b>
JAGDEV S DHALIWAL	97 SUNFOREST DR  BRAMPTON ONTARIO CANADA L6Z 3Y5

<b>Date Began</b>	<b>First Director</b>	<b>Resident Canadian</b>
2009/06/22	NOT APPLICABLE	
<b>Designation</b>	<b>Officer Type</b>	<b>Resident Canadian</b>
OFFICER	PRESIDENT	Y

<b>Administrator: Name (Individual / Corporation)</b>	<b>Address</b>
JAGDEV DHALIWAL	97 SUNFOREST DR  BRAMPTON ONTARIO CANADA L6Z 3Y5

<b>Date Began</b>	<b>First Director</b>	<b>Resident Canadian</b>
2009/06/22	NOT APPLICABLE	
<b>Designation</b>	<b>Officer Type</b>	<b>Resident Canadian</b>
DIRECTOR		Y

Request ID: 013725311  
Transaction ID: 46014942  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/21  
Time Report Produced: 12:45:31  
Page: 9

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

**Corporation Name**

2012241

2012241 ONTARIO LIMITED

**Administrator:**

**Name (Individual / Corporation)**

**Address**

JAGDEV

97 SUNFOREST DR

DHALIWAL

BRAMPTON  
ONTARIO  
CANADA L6Z 3Y5

**Date Began**

**First Director**

2009/06/22

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

OFFICER

PRESIDENT

Y

**Administrator:**

**Name (Individual / Corporation)**

**Address**

JASDEW

21 JEWEL CRES.

PHALIWAL

BRAMPTON  
ONTARIO  
CANADA L6R 2P5

**Date Began**

**First Director**

2002/06/04

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

DIRECTOR

Y



Request ID: 013725311  
Transaction ID: 46014942  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/21  
Time Report Produced: 12:45:31  
Page: 10

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

**Corporation Name**

2012241

2012241 ONTARIO LIMITED

**Administrator:**

**Name (Individual / Corporation)**

**Address**

JASDEW  
PHALI WAL

21 JEWEL CRES.  
  
BRAMPTON  
ONTARIO  
CANADA L6R 2P5

**Date Began**

**First Director**

2002/06/04

NOT APPLICABLE

**Designation**

**Officer Type**

**Resident Canadian**

OFFICER

OTHER

Request ID: 013725311  
Transaction ID: 46014942  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2011/11/21  
Time Report Produced: 12:45:31  
Page: 11

## CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2012241	2012241 ONTARIO LIMITED

Last Document Recorded		Form	Date
Act/Code	Description		
CIA	ANNUAL RETURN 2009	1C	2010/12/18

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.

PLEASE NOTE THAT WHEN THE SAME INDIVIDUAL HOLDS MULTIPLE 'OTHER UNTITLED' OFFICER POSITIONS, AS INDICATED ON A FORM 1 UNDER THE *CORPORATIONS INFORMATION ACT*, ONLY ONE OF THESE 'OTHER UNTITLED' POSITIONS HELD BY THAT INDIVIDUAL WILL BE REFLECTED ON THIS REPORT.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

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

# APPENDIX F



ServiceOntario

LAND  
REGISTRY  
OFFICE #43

PARCEL REGISTER (ABBREVIATED); FOR PROPERTY IDENTIFIER

PAGE 1 OF 3  
PREPARED FOR GSERAM01  
ON 2011/11/21 AT 13:09:41

14223-0956 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

**PROPERTY DESCRIPTION.**

PT OF LT 11, CON 5 EAST OF HURONTARIO ST, DES AS PTS 6 AND 7, PL 43R21902. S/T A EASEMENT IN FAVOUR OF BRAMPTON HYDRO ELECTRIC COMMISSION AND THE CORPORATION OF THE CITY OF BRAMPTON OVER PT OF LT 11, CON 5 EHS, DES AS PT 7, PL 43R21902 AS IN LT1615145. SUBJECT TO AN EASEMENT IN GROSS OVER PTS 3 & 4, 43R33711 AS IN PR2106932 CITY OF BRAMPTON

**PROPERTY REMARKS.**

CONSENT OF THE LAND DIVISION COMMITTEE OF THE REGIONAL MUNICIPALITY OF PEEL IS ENDORSED IN LT1698650. THE FOLLOWING REMARK HAS BEEN ADDED ON 2002/10/21 AT 09:41 BY ISOBEL STEWART : CONSENT OF THE LAND DIVISION COMMITTEE IS ATTACHED TO LT1698650.

**ESTATE/QUALIFIER.**

RECENTLY:  
DIVISION FROM 14223-0041

FIN CREATION DATE:  
1997/03/05

**FEE SIMPLE**

**ABSOLUTE**

**OWNERS' NAMES**  
2012241 ONTARIO LIMITED  
NC  
**CAPACITY SHARE**  
NC

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
**EFFECTIVE	2000/07/29	THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1996/05/07 ON THIS FIN**				
**WAS REPLACED WITH THE	"FIN CREATION DATE" OF 1997/03/05**					
** PRINTOUT	INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **					
43R18419	1991/03/07	PLAN REFERENCE				C
43R21191	1995/09/11	PLAN REFERENCE				C
LT1615145	1996/02/01	TRANSFER BASEMENT			BRAMPTON HYDRO ELECTRIC COMMISSION THE CORPORATION OF THE CITY OF BRAMPTON	C
43R21902	1996/11/14	PLAN REFERENCE				C
LT2057426	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
REMARKS: PEARSON AIRPORT ZONING REGULATION						
PR325702	2002/10/02	TRANSFER	\$850,000	CHURCH EXTENSION COUNCIL OF DUFFERIN AND PEEL PRESBYTERY OF THE UNITED CHURCH OF CANADA	2012241 ONTARIO LIMITED	C
PR1138739	2006/09/19	NOTICE	\$2	THE CORPORATION OF THE CITY OF BRAMPTON		C
PR1418741	2008/02/21	CHARGE	\$400,000	2012241 ONTARIO LIMITED	1448037 ONTARIO LIMITED	C
PR1418749	2008/02/21	NO ASSIGN RENT GEN		2012241 ONTARIO LIMITED	1448037 ONTARIO LIMITED	C
REMARKS: PR1418741						
PR1539845	2008/09/25	CHARGE	\$864,070	2012241 ONTARIO LIMITED	1448037 ONTARIO LIMITED	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES. IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



Ontario ServiceOntario

LAND  
REGISTRY  
OFFICE #43

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 3

PREPARED FOR GSRAM01  
ON 2011/11/21 AT 13:09:41

14223-0956 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHRD
PR1539924 REMARKS: PR1539845	2008/09/26	NO ASSIGN RENT GEN		2012241 ONTARIO LIMITED	1448037 ONTARIO LIMITED	C
PR1554408	2008/10/20	CHARGE	\$12,500,000	2012241 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PR1569920 REMARKS: PR1418741 TO PR1554408	2008/11/18	POSTPONEMENT		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PR1569921 REMARKS: PR1418749 TO PR1554408	2008/11/18	POSTPONEMENT		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PR1569922 REMARKS: PR1539845 TO PR1554408	2008/11/18	POSTPONEMENT		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PR1569923 REMARKS: PR1539924 TO PR1554408	2008/11/18	POSTPONEMENT		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PR1591143	2009/01/08	NOTICE	\$2	THE CORPORATION OF THE CITY OF BRAMPTON	THE TORONTO-DOMINION BANK	C
PR1681378 REMARKS: PR1554408, PR1418741, PR1589845	2009/08/05	NOTICE	\$2	THE TORONTO-DOMINION BANK	THE TORONTO-DOMINION BANK	C
PR1720150 REMARKS: PR1554408, PR1418741 AND PR1539845.	2009/10/15	NOTICE	\$2	THE TORONTO-DOMINION BANK	THE TORONTO-DOMINION BANK	C
PR1720151 REMARKS: PR1418741.	2009/10/15	TRANSFER OF CHARGE		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PR1720152 REMARKS: PR1539845.	2009/10/15	TRANSFER OF CHARGE		1448037 ONTARIO LIMITED	THE TORONTO-DOMINION BANK	C
PR1785468 REMARKS: PENDING LITIGATION	2010/03/03	APL (GENERAL)		H S G PROPERTIES INCORPORATED	THE TORONTO-DOMINION BANK	C
PR1802331 REMARKS: FROM PR1785468 TO PR1554408	2010/04/12	POSTPONEMENT		H S G PROPERTIES INCORPORATED	THE TORONTO-DOMINION BANK	C
43R33711	2010/12/23	PLAN REFERENCE	\$70			C
PR1982084	2011/03/30	CONSTRUCTION LIEN	\$383,399	VERSA CONSTRUCTION LIMITED		C

NOTE: ANOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

14223-0956 (LT)

SUBJECT TO RESERVATIONS IN CROWN GRANT

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
PR2003837	2011/05/16	CERTIFICATE		VERSA CONSTRUCTION LIMITED		
	REMARKS: PE1982084					
PR2106932	2011/11/14	TRANSFER EASEMENT	\$2	2012241 ONTARIO LIMITED	HYDRO ONE BRAMPTON NETWORKS INC.	C
PR2110730	2011/11/21	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	IRA SMITH TRUSTEE & RECEIVER INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

# APPENDIX G

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
SEARCH RESULTS

Date Search Conducted: 11/21/2011  
File Currency Date: 11/20/2011  
Family(ies): 4  
Page(s): 7

SEARCH : Business Debtor : 2012241 ONTARIO LIMITED

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PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
SEARCH RESULTS

Date Search Conducted: 11/21/2011  
File Currency Date: 11/20/2011  
Family(ies): 4  
Page(s): 7

SEARCH : Business Debtor : 2012241 ONTARIO LIMITED

FAMILY : 1 OF 4 ENQUIRY PAGE : 1 OF 7  
SEARCH : BD : 2012241 ONTARIO LIMITED

00 FILE NUMBER : 647532792 EXPIRY DATE : 07AUG 2013 STATUS :  
01 CAUTION FILING : PAGE : 001 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20080807 0938 1862 6843 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: 2012241 ONTARIO LIMITED

OCN : 2012241

04 ADDRESS : 470 CHRYSLER DRIVE, UNIT 20  
CITY : BRAMPTON PROV: ON POSTAL CODE: L6S 0C1  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
THE TORONTO-DOMINION BANK

09 ADDRESS : 20 MILVERTON DRIVE & HWY. #10  
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5R 3G2  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X X X  
YEAR MAKE MODEL V.I.N.

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15

GENERAL COLLATERAL DESCRIPTION

16 AGENT: ROSE, PERSIKO, RAKOWSKY, MELVIN LLP (RBM / 2080223)  
17 ADDRESS : 390 BAY STREET, SUITE 600  
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2Y2

FAMILY : 2 OF 4  
SEARCH : BD : 2012241 ONTARIO LIMITED

ENQUIRY PAGE : 2 OF 7

00 FILE NUMBER : 648058536 EXPIRY DATE : 27AUG 2012 STATUS :  
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20080827 1451 1530 5685 REG TYP: P PPSA REG PERIOD: 4  
02 IND DOB : IND NAME:  
03 BUS NAME: MARIO'S FURNITURE & UPHOLSTERY LIMITED

OCN :

04 ADDRESS : 200 EDGELEY BLVD 29  
CITY : CONCORD PROV: ON POSTAL CODE: L4K 3Y8  
05 IND DOB : 11MAR1964 IND NAME: VITTORIO PAGNANI  
06 BUS NAME:

OCN :

07 ADDRESS : 70 HAMBLY AVE  
CITY : KING CITY PROV: ON POSTAL CODE: L7B 1J1

08 SECURED PARTY/LIEN CLAIMANT :  
FORD CREDIT CANADA LEASING, A DIVISION OF CANADIAN ROAD LEASING COMPANY

09 ADDRESS : PO BOX 2400  
CITY : EDMONTON PROV: AB POSTAL CODE: T5J 5C7  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.  
11 2008 LINCOLN NAVIGATOR 5LMFU28568LJ02030

12  
GENERAL COLLATERAL DESCRIPTION

13  
14  
15  
16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS  
17 ADDRESS : 4126 NORLAND AVENUE  
CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

FAMILY : 2 OF 4  
SEARCH : BD : 2012241 ONTARIO LIMITED

ENQUIRY PAGE : 3 OF 7

FILE NUMBER 648058536

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 01 OF 001 MV SCHED: 20111109 1949 1531 7493  
21 REFERENCE FILE NUMBER : 648058536  
22 AMEND PAGE: NO PAGE: X CHANGE: A AMNDMNT REN YEARS: CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: MARIO'S FURNITURE & UPHOLSTERY LIMITED

25 OTHER CHANGE:  
26 REASON: ADDING 1 DELETING 2  
27 /DESCR:  
28 :  
02/05 IND/TRANSFEREE:  
03/06 BUS NAME/TRFEE: 2012241 ONTARIO LIMITED

OCN:

04/07 ADDRESS: 17 ADIRONDACK CRESCENT  
CITY: BRAMPTON PROV: ON POSTAL CODE: L6R 1E5  
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :  
CITY : PROV : POSTAL CODE :  
CONS. MV DATE OF NO FIXED  
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE  
10 X X X X  
11  
12  
13  
14  
15

16 NAME : CANADIAN SECURITIES REGISTRATION SYSTEMS  
17 ADDRESS : 4126 NORLAND AVENUE  
CITY : BURNABY PROV : BC POSTAL CODE : V5G 3S8

FAMILY : 3 OF 4  
SEARCH : BD : 2012241 ONTARIO LIMITED

ENQUIRY PAGE : 4 OF 7

00 FILE NUMBER : 648818028 EXPIRY DATE : 26SEP 2013 STATUS :  
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20080926 1407 1462 1596 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: 2012241 ONTARIO LIMITED

OCN : 2012241

04 ADDRESS : 7050A BRAMALEA ROAD, UNIT 11  
CITY : MISSISSAUGA PROV: ONT POSTAL CODE: L5S1T1  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :

07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
1448037 ONTARIO LIMITED

09 ADDRESS : 7050A BRAMALEA ROAD  
CITY : MISSISSAUGA

PROV: ONT POSTAL CODE: L5S1T1

CONS.

MV

DATE OF OR NO FIXED

	GOODS	INVTRY.	EQUIP	ACCTS	OTHER	INCL	AMOUNT	MATURITY	MAT DATE
10					X		864070		X

YEAR MAKE

MODEL

V.I.N.

11

12

GENERAL COLLATERAL DESCRIPTION

13 CHARGE AND NOTICE OF ASSIGNMENT OF RENTS-GENERAL REGISTERED

14 SEPTEMBER 25, 2008

15

16 AGENT: RON E. FOLKES

17 ADDRESS : 14 NELSON STREET WEST, SUITE 1

CITY : BRAMPTON

PROV: ON

POSTAL CODE: L6X1B7

FAMILY : 4 OF 4  
SEARCH : BD : 2012241 ONTARIO LIMITED

ENQUIRY PAGE : 5 OF 7

00 FILE NUMBER : 652974381 EXPIRY DATE : 27APR 2012 STATUS :  
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20090427 1002 1462 3058 REG TYP: P PPSA REG PERIOD: 1  
02 IND DOB : IND NAME:  
03 BUS NAME: 2012241 ONTARIO LIMITED

OCN : 2012241

04 ADDRESS : C/O 470 CHRYSLER DRIVE, UNIT 20  
CITY : BRAMPTON PROV: ONT POSTAL CODE: L6S0C1  
05 IND DOB : IND NAME: JAGDEV DHALIWAL  
06 BUS NAME:

OCN :

07 ADDRESS : C/O 470 CHRYSLER DRIVE, UNIT 20  
CITY : BRAMPTON PROV: ONT POSTAL CODE: L6S0C1

08 SECURED PARTY/LIEN CLAIMANT :  
1448037 ONTARIO LIMITED

09 ADDRESS : 7050 BRAMALEA ROAD, UNIT 11

CITY : MISSISSAUGA PROV: ONT POSTAL CODE: L5S1T1

CONS. MV DATE OF OR NO FIXED

GOODS	INVTRY.	EQUIP	ACCTS	OTHER	INCL	AMOUNT	MATURITY	MAT DATE
10			X	X		400000		X

YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 CHARGE AND ASSIGNMENT OF RENTS REGISTERED ON FEBRUARY 21, 2008

14

15

16 AGENT: RON E. FOLKES

17 ADDRESS : 14 NELSON STREET WEST, SUITE 1

CITY : BRAMPTON PROV: ON POSTAL CODE: L6X1B7

FAMILY : 4 OF 4  
SEARCH : BD : 2012241 ONTARIO LIMITED

ENQUIRY PAGE : 6 OF 7

FILE NUMBER 652974381

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 1 MV SCHED: 20100426 1517 1793 4907  
21 REFERENCE FILE NUMBER : 652974381  
22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 1 CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: 2012241 ONTARIO LIMITED

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY:

PROV:

POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

10

11

12

13

14

15

16 NAME : FOLKES LEGAL PROFESSIONAL CORPORATION

17 ADDRESS : 14 NELSON STREET WEST, SUITE 1

CITY : BRAMPTON

PROV : ON

POSTAL CODE : L6X1B7

FAMILY : 4 OF 4  
SEARCH : BD : 2012241 ONTARIO LIMITED

ENQUIRY PAGE : 7 OF 7

FILE NUMBER 652974381

PAGE TOT REGISTRATION NUM REG TYPE  
01 CAUTION : 001 OF 1 MV SCHED: 20110426 0813 1793 8652  
21 REFERENCE FILE NUMBER : 652974381  
22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 1 CORR PER:  
23 REFERENCE DEBTOR/ IND NAME:  
24 TRANSFEROR: BUS NAME: 2012241 ONTARIO LIMITED

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEEER:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY:

PROV:

POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY :

PROV :

POSTAL CODE :

CONS.

MV

DATE OF

NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER

INCL

AMOUNT

MATURITY OR

MAT DATE

10

11

12

13

14

15

16 NAME : FOLKES LEGAL PROFESSIONAL CORPORATION

17 ADDRESS : 14 NELSON STREET WEST, SUITE 1

CITY : BRAMPTON

PROV : ON

POSTAL CODE : L6X1B7

## **APPENDIX H**



DRAFT NOVEMBER 17, 2011

**2012241 ONTARIO LIMITED**

c.o.b. as Sunny Meadows Medical Centre  
50 Sunny Meadow Boulevard  
Brampton, Ontario

<u>Name of Purchaser or Tenant</u>	<u>Suite #</u>	<u>post dated cheques on hand</u>	<u># of cheques</u>	<u>Issuer of cheque</u>	<u>Comments</u>
* St. Abu-Nofr Drugs Ltd.	100				under construction / lease of premises
	<i>104-105</i>				appears to be occupied
* Harmanjot Dhillon	108				appears to be occupied
* 2238104 Ontario Inc.	110				appears to be occupied Agrmt subject to zoning approval variance application
* Prabjot S. Dhanoo (agreement in the name of) Dentist- Dr S. Danewalia	112 112				appears to be occupied
* Amarjit Masuta	200	1,889.18	3	Masuta & Sons Ltd.	
* Daljit S. Gill	202	2,082.77	2	Daljit S. Gill	
* Ranbir S. Gill	206-207	4,017.71	2	2262248 Ontario Inc.	
* Pirthi Singh Samra	213				appears to be occupied
* Tamjit Atwal	214	1,286.71	1	Gurchetan Sandhu	
* Gurdev Singh Dhaliwal	216-217	3,093.47	3	1827107 Ontario Inc.	
* Gurdev Singh Dhaliwal	218-219	3,192.61	3	1827107 Ontario Inc.	
* Dr. Surinder S. Sidhu	220-221	1,499.93	1	Five Rivers Rehabilitation Centre Ltd.	appears to be occupied
* Nuri Medics Inc.	224				appears to be occupied / lease of premises
* 1553357 Ontario Inc.	302	3,209.91	1	Tamjit Singh Basra	
	306				appears to be occupied
Moaz Sheikh, Chartered Accountant	307				no paper work/ appears to be occupied
* Charnjit Singh Gill	312				appears to be occupied
* Gurdev Singh Dhaliwal	313				appears to be occupied

DRAFT NOVEMBER 17, 2011

**2012241 ONTARIO LIMITED**

c.o.b. as Sunny Meadows Medical Centre  
 50 Sunny Meadow Boulevard  
 Brampton, Ontario

<u>Name of Purchaser or Tenant</u>	<u>Suite #</u>	<u>post dated cheques on hand</u>	<u># of cheques</u>	<u>Issuer of cheque</u>	<u>Comments</u>
* Ravinder & Rejuir Singh	<b>318-319</b>	3,124.78	5	Anaad Investments Inc.	
Centum One Financial Group	<b>315</b>				
* Jasvir S. & Gagandeep K. Chahal	<b>323-324</b>	4,598.28	5	2199299 Ontario Limited	no paper work/ appears to be occupied

\* *Denotes: Transaction paper work  
 examined for units indicated in Bold*

Suites also Listed on Directory Board

Sunny Meadow Walk in Clinic	<b>101-102</b>				to be developed
Home Health Care ??	<b>103</b>				
International Bank ??	<b>106</b>				
Vacant	<b>107</b>				
Vacant	<b>109</b>				
Vacant	<b>111</b>				
Vacant	<b>113</b>				

# APPENDIX I



**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](http://irasmithinc.com)

**Ira Smith**

Phone: 905.738.4167 ext. 111

Email: [ira@irasmithinc.com](mailto:ira@irasmithinc.com)

November 23, 2011

**DELIVERED**

**[INSERT NAME AND ADDRESS OF EACH OCCUPIER]**

Dear Sirs

**2012241 Ontario Limited ("2012241")  
Receivership Order dated November 15, 2011  
50 Sunny Meadow Blvd., Brampton, ON (the "Building")**

We are writing to advise that on November 15, 2011, The Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) made an Order (the "Appointment Order") appointing Ira Smith Trustee & Receiver Inc. as Receiver (the "Receiver") of the assets, undertakings and properties of 2012241. We enclose a copy of the Appointment Order and the file directions issued by the Court.

You are currently occupying unit(s) number **[INSERT UNIT(S) NUMBER(S)]** in the Building (the "Premises"). We request that you provide us immediately with the documentation in your possession or control evidencing the basis upon which you are occupying the Premises. We advise that we are currently holding certain post-dated cheques in connection with your occupancy of the Premises as outlined in the attached schedule (if none, it is so stated). In the event you have issued any other cheques in connection with your occupancy of the Premises, you should stop payment on them immediately. All payments in connection with your occupation of the Premises must now be paid to the Receiver and delivered on a timely basis to the Receiver at the above address. **Payment to any other party will not satisfy your liability.**

We are currently reviewing the options available to the Receiver so that uninterrupted services are provided to the Building. We will communicate with you further as more information becomes available.

Yours truly,

IRA SMITH TRUSTEE & RECEIVER INC.  
solely in its capacity as Court-appointed Receiver of  
2012241 Ontario Limited

Per:

Ira Smith  
President

Enc

## **APPENDIX J**



**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

**Ira Smith**

Phone: 905.738.4167 ext. 111

Email: ira@irasmithinc.com

November 16, 2011

**VIA EMAIL [sikder@sikderlaw.ca](mailto:sikder@sikderlaw.ca)  
AND FAX 416.740.2642**

Sikder Professional Corporation  
Barristers and Solicitors  
Suite 306 – 1620 Albion Road  
Toronto, ON M9V 4B4

**Attention: Mr. P.K. Sidker**

Dear Sirs

**2012241 Ontario Limited (“2012241”)  
Receivership Order dated November 15, 2011**

We advise that on November 15, 2011, The Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) made an Order (the “Appointment Order”) appointing Ira Smith Trustee & Receiver Inc. as Receiver (the “Receiver”) of the assets, undertakings and properties of 2012241. We enclose a copy of the Order and the file directions issued yesterday.

Paragraphs 4 and 5 of the Appointment Order require all persons with notice of the Appointment Order to deliver all Property (as defined in the Appointment Order) and books, records and all documents in their possession to the Receiver. We understand that you are legal counsel to 2012241 and may have such Property and other documentation of 2012241 in your possession, including, but not limited to, funds being held on account of proposed sale of condominium units.

We request that you provide us immediately with an accounting and listing of all such Property, books, records and other documents, including, but not limited to an accounting of all funds being held, or which used to be held by you, on account of such proposed condominium sales. We also advise that you may not transfer any such assets of 2012241 to any party other than the Receiver, without either our prior written consent or a Court Order.

We look forward to your immediate cooperation. If you have any questions, please contact us.

Yours truly,

IRA SMITH TRUSTEE & RECEIVER INC.  
solely in its capacity as Court-appointed Receiver of  
2012241 Ontario Limited



Per:

Ira Smith  
President

Enc

cc Mr. D. Magisano - Blaney McMurtry LLP - [dmagisano@blaney.com](mailto:dmagisano@blaney.com)



# **APPENDIX K**

**Victoria Gifford**

---

**From:** Kamal [<mailto:kamal@sikderlaw.ca>]

**Sent:** November-23-11 12:04 PM

**To:** Ira Smith

**Cc:** [sikder@sikderlaw.ca](mailto:sikder@sikderlaw.ca)

**Subject:** Client: 2012241 Ontario Limited

Dear Madam,

Attached please find the document requested by you.

Thanking you,

Yours truly,

**Ms. Kamaldeep Dhaliwal**

Legal Assistant

[kamal@sikderlaw.ca](mailto:kamal@sikderlaw.ca)

**SIKDER PROFESSIONAL CORPORATION Barristers & Solicitors**

1620 Albion Road, Suite 306

Toronto, Ontario M9V 4B4 Canada

Tel: 416-740-2957

Fax: 416-740-2642

[www.sikderlaw.ca](http://www.sikderlaw.ca)

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**SIKDER PROFESSIONAL CORPORATION**  
**Barristers & Solicitors**  
Paltu Kumar Sikder, LLM                      Harjinder Chahal, BA, JD

1620 Albion Road  
Suite 306  
Toronto, Ontario  
M9V 4B4

Tel: (416) 740-2957  
Fax: (416) 740-2642  
Email: sikder@sikderlaw.ca  
Website: [www.sikderlaw.ca](http://www.sikderlaw.ca)

November 23, 2011

**TRUST LEDGER STATEMENT**

**Re: 50 Sunny Meadow Boulevard, Brampton, Ontario**  
**Our Client: 2012241 Ontario Limited**

	Purchase Price of Unit	Deposit in Trust Account
1. Unit 109 – Purchaser – 2140822 Ontario Inc.	\$ 527,000.00	\$ 79,050.00
2. Unit 110 – Purchaser – 2238104 Ontario Inc.	\$ 472,000.00	\$ 47,200.00
3. Unit 112 – Purchaser – 2256280 Ontario Inc.	\$ 575,600.00	\$ 86,340.00
4. Unit 200 – Purchaser – Amarjit Masuta	\$ 217,558.00	\$ 33,848.00
5. Unit 201- Purchaser – Balwant Singh Brar <b>Released to the client \$228,385.50 at the instructions of the purchaser and their lawyer.</b>	\$ 269,724.00	\$ 41,338.50
6. Unit 202 – Purchaser – 2263105 Ontario Inc.	\$ 239,980.00	\$ 37,743.84
7. Unit 205 – Purchaser – Navdeep Singh Johal <b>Released to the client \$202,215.00 at the instructions of the purchaser and their lawyer.</b>	\$ 237,900.00	\$ 35,685.00
8. Unit 206, 207 – Purchaser – 2262248 Ontario Inc.	\$ 458,900.00	\$ 68,835.00
9. Unit 208, 209 Purchaser – Harvinder Singh Gill	\$ 407,225.00	\$ 61,083.75
10. Unit 211 – Purchaser – 2231772 Ontario Ltd. <b>Released to the client \$195,308.75 at the instructions of the purchaser and their lawyer.</b>	\$ 229,775.00	\$ 34,466.00
11. Unit 213 – Purchaser – 1253237 Ontario Inc.	\$ 320,125.00	\$ 48,018.75
12. Unit 214 – Purchaser – Tarnjit Atwal <b>Released to the client \$ 263,500.00 at the instructions of the purchaser and their lawyer.</b>	\$ 310,000.00	\$ 46,500.00
13. Unit 216, 217 Purchaser – Gurdev Singh Dhaliwal	\$ 356,122.80	\$ 53,418.42
14. Unit 218, 219 – Purchaser – 1827107 Ontario Inc.	\$ 367,567.20	\$ 48,378.00
15. Unit 220, 221 – Purchaser – Dr. Surinder Singh Sidhu Medicine Professional Corporation	\$ 363,800.00	\$ 54,750.00

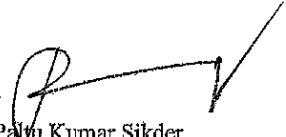
**Released to client \$ 310,633.00 at the  
instructions of the purchaser and their lawyer.**

16. Unit 308 – Purchaser – Sumeet Kaur Hansra Never closed	\$ 193,600.00	\$ 18, 045.00
17. Unit 309 – Purchaser – Harmanjot Dhillon Never closed	\$ 205,400.00	\$ 18, 045.00
18. Unit 314 Purchaser – Teri Ote Consulting Corporation Never closed	\$ 305,175.00	\$ 42, 918.75
19. Unit 318, 319 Purchaser – Anaad Investments Inc.	\$ 357,437.50	\$ 53,616.75
20. Unit 320, 321 Purchaser – Tarnjit Basra & Narinder Basra	\$ 369,150.00	\$ 55,590.00
21. Unit 323, 324 Purchaser – Jasbir Singh Chahal	\$ 530,400.00	\$ 30, 514.00
<b>Total</b>	<b>\$ 7,314,439.50</b>	<b>\$ 995,384.76</b>

**Disbursed on Purchaser's direction to 2012241 Ontario Limited \$ 1,200,042.20**

**Remaining balance \$ 6,114,397.30**

**SIKDER PROFESSIONAL CORPORATION**

  
Panku Kumar Sikder

B. & O.e

# APPENDIX L

# SIKDER PROFESSIONAL CORPORATION

## Barristers & Solicitors

Paltu Kumar Sikder, LLM

1620 Albion Road  
Suite 306  
Toronto, Ontario  
M9V 4B4

Tel: (416) 740-2957  
Fax: (416) 740-2642  
Email: sikder@sikderlaw.ca  
Website: [www.sikderlaw.ca](http://www.sikderlaw.ca)

June 17, 2011  
2012241 Ontario LTD.  
470 Chrysler Drive  
Unit 20  
Brampton, Ontario  
L6S 0C1

*Tuesday - next week Amex  
Tanner - update with  
the city*

Attention: Jagdev Dhaliwal

### TRUST ACCOUNT BALANCE

Dear Sir or Madam:

Re: Sunny Meadow Properties

10P

As per your request:

Purhasers	Units		Trust Account Balance
Gugandeep Benipal	✓ 101	(Initial Deposit)	\$ 88,000.00
Phillip Vettese in Trust	✓ 102	(Initial Deposit)	\$203,490.00
Navjeet Dhaliwal/ Devinder Singh Brar	✓ 103	(Initial Deposit)	\$116,880.00
Jaswinder/Palvinder Ghuman	✓ 104	(Initial Deposit)	\$116,880.00
<i>Rehab</i> Rajvinder Khairon	✓ 105	(Initial Deposit)	\$116,240.00

Harmjot Dhillon	106	(Initial Deposit)	\$119,440.00
Parbhjot S Dhillon	107/108	(Initial Deposit)	\$203,520.00
Loyekiran Singh Dhillon/ Mandeep Singh Kang	109/110	(Initial Deposit)	\$256,400.00
147987 Ontario Ltd,	201/203/214	(Initial Deposit)	\$212,957.00
Naydeep S Johan	204	(Initial Deposit)	\$ 51,285.20
Ranbir Singh	205	(Initial Deposit)	\$ 86,230.00
Harvinder Singh Gill	206	(Initial Deposit)	\$ 84,866.00
Daljit Singh Gill	207	(Initial Deposit)	\$ 92,370.00
Kulvinder Dhillon	208	(Initial Deposit)	\$ 61,978.00
Narinder S Samara	209	(Initial Deposit)	\$ 64,704.00
Balwant Singh Brar	210	(Initial Deposit)	\$ 62,400.00
319552 Ontario Ltd.	211	(Initial Deposit)	\$ 64,720.00
Gurdev Singh Dhaliwal	212	(Initial Deposit)	\$ 70,463.00
Lakhbir Dhaliwal	213	(Initial Deposit)	\$ 72,369.00
Dr. Oscar Sohi	215/216/217	(Initial Deposit)	\$181,560.00
Harjinder Chahal	301/302/303	(Initial Deposit)	\$152,000.00
Samra Pirthi Singh	304	(Initial Deposit)	\$ 52,000.00
Major Hansra/ Manmohan Grewal	305/306	(Initial Deposit)	\$165,557.00



Jasvir S Hansra	307	(Initial Deposit)	\$ 84,225.00
Charnjit Singh Gill	308	(Initial Deposit)	\$ 82,525.00
Gurdev S Dhaliwal	309	(Initial Deposit)	\$ 64,964.00
Gurshan Singh In Trust	310	(Initial Deposit)	\$ 62,335.00
Mandeep Sandhu	311	(Initial Deposit)	\$ 68,272.00
Mark Ragobar	312	(Initial Deposit)	\$ 71,196.00
Ravinder/Ranjvir Singh	313	(Initial Deposit)	\$ 71,487.00
Brar Group	314	(Initial Deposit)	\$ 70,525.00
Mohammed Lakanpal	315	(Initial Deposit)	\$ 54,332.00
Jasbir Singh Chahal	316/317	(Initial Deposit)	\$120,596.00

324/323/321 | 308/309/310

Total deposit in our trust account is: **\$3,446,766.20**

Yours, very truly,

SIKDER PROFESSIONAL CORPORATION

Paltu Kumar Sikder  
E & O E  
PKS: rp

# APPENDIX M

**Lou Brzezinski**

---

**From:** Paltu Kumar Sikder [mailto:sikder@sikderlaw.ca]  
**Sent:** November 23, 2011 4:45 PM  
**To:** Shawn Wolfson  
**Subject:** RE: 50 Sunny Meadow Boulevard, Brampton

Dear Mr. **Wolfson**

**Thanks for your email. I have to get info from my Accountant which is coming to my office this Saturday.**

**Paltu Kumar Sikder**  
**Sikder Professional Corporation**

Barristers & Solicitors  
1620 Albion Road  
Suite 306  
Toronto, Ontario  
M9V 4B4  
Tel. 416-740-2957  
Fax 416-740-2642  
[www.sikderlaw.ca](http://www.sikderlaw.ca)

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---

**From:** Shawn Wolfson [mailto:swolfson@blaney.com]  
**Sent:** November 23, 2011 4:14 PM  
**To:** 'sikder@sikderlaw.ca'  
**Cc:** 'ira@irasmithinc.com'; Domenico Magisano; Lou Brzezinski; Brittany Tinslay  
**Subject:** Re: 50 Sunny Meadow Boulevard, Brampton

Thank you for this information. As requested below, please provide a detailed trust reconciliation showing all debits and credits in respect this file from its outset to present.

Sent from my Blackberry

**From:** Paltu Kumar Sikder [mailto:sikder@sikderlaw.ca]  
**Sent:** Wednesday, November 23, 2011 03:55 PM  
**To:** Shawn Wolfson  
**Subject:** RE: 50 Sunny Meadow Boulevard, Brampton

Dear Mr. **Wolfson**

**Thanks for your email. "Trust Ledger showing \$3,446,766.20 dated June 17, 2011" did not originate from my office, and I can't make any comment on this document. My firm has no**

11/23/11

knowledge of this document.

**Paltu Kumar Sikder**  
**Sikder Professional Corporation**

Barristers & Solicitors  
1620 Albion Road  
Suite 306  
Toronto, Ontario  
M9V 4B4  
Tel. 416-740-2957  
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---

**From:** Shawn Wolfson [<mailto:swolfson@blaney.com>]

**Sent:** November 23, 2011 3:15 PM

**To:** [sikder@sikderlaw.ca](mailto:sikder@sikderlaw.ca)

**Cc:** 'Grant Kerr ([mail@kerrwaid.on.ca](mailto:mail@kerrwaid.on.ca))'; Ira Smith ([ira@irasmithinc.com](mailto:ira@irasmithinc.com)); Domenico Magisano; Brittany Tinslay

**Subject:** 50 Sunny Meadow Boulevard, Brampton

Mr. Sikder,

Further to our telephone call, I have attached for your ease of reference 2 trust statements issued by your firm, the first dated June 17, 2011 and the second dated November 23, 2011. These are vastly different in terms of the units under contracts, the names of the various purchasers and the amounts currently held in trust. I confirm your advice that you have written confirmation in your file that the purchasers of Units 201, 205, 211, 214 and 220/221 agreed to permit your firm, as escrow agent to release \$1,200,000.00 in the aggregate to the debtor. To more fully understand the difference between the \$3,000,000 held in trust as of June 17, 2011 and the less than \$1,000,000 held in trust as of November 23, 2011, please provide us with a trust reconciliation disclosing all of the various debits and credits to the account. We would appreciate this information being provided at your very earliest opportunity.

Best regards,

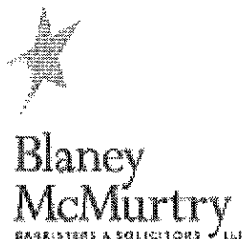
Shawn

**Shawn Wolfson**

TEL 416.593.3930  
[swolfson@blaney.com](mailto:swolfson@blaney.com)

Blaney McMurtry LLP  
2 Queen Street East, Suite 1500  
Toronto, Canada M5C 3G5  
416.593.1221 TEL  
416.593.5437 FAX  
[www.blaney.com](http://www.blaney.com)

EXPECT THE BEST



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11/23/11



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# APPENDIX N

**Victoria Gifford**

---

**From:** ravi chahal <ravi@chahalwilshire.com>  
**Sent:** November 16, 2011 1:15 PM  
**To:** Ira Smith  
**Subject:** Re: Documents

Yes sir I would like to have everything on the table so it would be a constructive meeting, meanwhile it is better I keep pushing for registration.

On Wednesday, November 16, 2011, Ira Smith <[ira@irasmithinc.com](mailto:ira@irasmithinc.com)> wrote:

> I will send you a letter in the next little while. Does this mean you are cancelling our 3PM meeting today and wish to reschedule?

>

>

>

> Please advise.

>

>

>

> Thank you.

>

>

>

> </mail/u/0/s/?view=att&th=133ad8dc44f6ce98&attid=0.1&disp=emb&zw>

>

>

>

> IRA SMITH MBA, CA•CIRP

> President

>

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

>

> P: 905.738.4167 ext.111 | C: 905.738.4167 ext. 211

> F: 905.738.9848 | E: [ira@irasmithinc.com](mailto:ira@irasmithinc.com)

> [www.irasmithinc.com](http://www.irasmithinc.com)

>

>

> \_\_\_\_\_  
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>

>

>

> From: ravi chahal [<mailto:ravi@chahalwilshire.com>]

> Sent: November-16-11 12:03 PM

> To: Ira Smith

> Subject: Documents

>

>

>

> Good Morning please forward me the documents you require. After I get everything together I will come in to meet. At this stage of the building we are still doing all work required to get it registered asap.

>

>

>

> --

> Respectfully!!!

>

> Ravinder Singh Chahal

> Ceo.

> The Chahal Wilshire Group Inc.

> Business Developments and Investments.

> 50 Sunny Meadow Blvd Unit 103

> Brampton, Ontario

> L6R 0Y7

> Tel# 416.823.6684

> E-mail: [ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)

> [www.chahalwilshire.com](http://www.chahalwilshire.com)

--

Respectfully!!!

Ravinder Singh Chahal

Ceo.

The Chahal Wilshire Group Inc.

Business Developments and Investments.

50 Sunny Meadow Blvd Unit 103

Brampton, Ontario

L6R 0Y7

Tel# 416.823.6684

E-mail: [ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)

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



## **APPENDIX O**



**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

**Ira Smith**

Phone: 905.738.4167 ext. 111

Email: ira@irasmithinc.com

November 16, 2011

**VIA EMAIL ravi@chahalwilshire.com**

**VIA EMAIL dhaliwalj10@hotmail.com**

Mr. R. Chahal, Project Manager  
2012241 Ontario Limited  
c/o 470 Chrysler Drive Unit 20  
Brampton, ON L6S 0C1

Mr. J. Dhaliwal, President  
2012241 Ontario Limited  
c/o 7420 Airport Road Unit 105  
Mississauga, Ontario L4T 1E5

Dear Sirs

**2012241 Ontario Limited ("2012241")  
Receivership Order dated November 15, 2011  
50 Sunny Meadow Blvd., Brampton, ON (the "Building")**

We are writing further to the meeting last evening between Mr. and Mrs. Chahal and our Messrs. I. Smith, B. Smith and M. Wolfe. We advise that on November 15, 2011, The Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) made an Order (the "Appointment Order") appointing Ira Smith Trustee & Receiver Inc. as Receiver (the "Receiver") of the assets, undertakings and properties of 2012241. We enclose a copy of the Appointment Order and the file directions issued yesterday. We confirm that both Mr. and Mrs. Chahal were each provided with a copy of the Appointment Order last evening.

Paragraphs 4 and 5 of the Appointment Order require all persons with notice of the Appointment Order to deliver all Property (as defined in the Appointment Order) and books, records and all documents in their possession to the Receiver. We obtained certain records last evening from the 50 Sunny Meadow Blvd. premises, but many records we would have expected to have seen were not stored in the main floor office.

Although this listing is not meant to be exhaustive, we would have expected to have found, and taken possession of at least the following additional records of 2012241:

1. Quantity Surveyor reports and Architect's Certificates.
2. Contracts with contractors and suppliers for both the construction and ongoing maintenance and property management of the Building.
3. All files relating to the construction of the Building, including all Statutory Declarations and/or lien claims (both registered and unregistered) of the trades used in the construction of the Building.
4. Bank statements and cancelled cheques for all accounts maintained by 2012241 whether at The Toronto-Dominion Bank or elsewhere.
5. The documents relating to all secured indebtedness and leases of equipment.
6. Accounting records and software showing full disclosure of the affairs of 2012241.
7. Minute Book, corporate seal and other corporate records, financial statements and income tax returns.
8. Statements received from Canada Revenue Agency, Workers' Safety and Insurance Board and various provincial and municipal government agencies.
9. Payroll records.
10. Extension Agreements for all Agreements of Purchase and Sale.
11. Identification of the whereabouts and amount of all deposits being held relating to Agreements of Purchase and Sale, by purchaser.
12. Identification of the whereabouts and amount of all security deposits and last month's rent being held from tenants of the Building.
13. All Offers to Lease and Leases from prospective or actual tenants of the Building.
14. The current rent roll for the Building.
15. Extension Agreements for all Agreements of Purchase and Sale entered into with purchasers of the condominium units.
16. Licenses required for the operation of the Building and machinery and equipment located thereon.
17. Occupancy Certificates.

18. The declaration and the description required to register a condominium building under the *Ontario Condominium Act, 1998* S.O. 1998, CHAPTER 19.
19. Documentation relating to owners paying phantom rent for the units they are respectively using.
20. Paid and unpaid billings for the supply of goods and services for the Building, including, but not limited to, property tax, hydro, water and gas.
21. Documentation to clearly identify all assets, properties and undertakings of 2012241 in addition to the Building.
22. A copy of all insurance policies/insurance endorsements detailing the insurance coverage held by 2012241 in relation to the Building, any vehicles and any other assets being insured.

As new information becomes available to us, we will update this listing, although it is your responsibility to deliver all Property of 2012241 without receiving specific requests from us, otherwise, you will be in contravention/contempt of the Appointment Order.

As you know, as Court-appointed Receiver, we are an Officer of the Court and we act on behalf of all the creditors of 2012241 and we must report our actions, activities and all issues concerning this receivership administration to the Court. We must be able to quickly identify the location of all of the assets, properties and undertakings of 2012241 and take possession of same. As indicated above, all persons with notice of the Appointment Order, including you, have a positive duty to disclose the whereabouts of all such assets, properties and undertakings and deliver them to the Receiver immediately.

We therefore advise that we require knowing the whereabouts of, and for you to deliver to the Receiver, all such assets, properties and undertakings of 2012241. We confirm that last evening, our Mr. I. Smith and Mr. Chahal agreed that they would meet at 3PM today, in order for Mr. Chahal to provide Mr. Smith with complete disclosure concerning 2012241's affairs, however, at 12:03PM today by email, Mr. Chahal cancelled the meeting without rescheduling. As you can appreciate, this occurrence is disappointing, and we still require full disclosure and possession of all of 2012241's assets, properties and undertakings immediately. We look forward to your immediate cooperation. Please contact us immediately to make satisfactory arrangements.

We are copying our independent legal counsel, Mr. D. Magisano of Blaney McMurtry LLP with this communication.

Yours truly,

IRA SMITH TRUSTEE & RECEIVER INC.  
solely in its capacity as Court-appointed Receiver of  
2012241 Ontario Limited

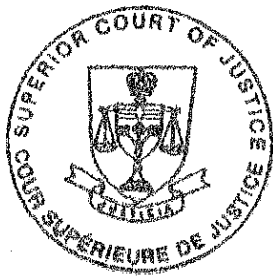


Per:

Ira Smith  
President

Enc

cc Mr. D. Magisano - Blaney McMurtry LLP - [dmagisano@blaney.com](mailto:dmagisano@blaney.com) (letter only)



Court File No. CV-11-9456-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE *MD* ) TUESDAY, THE 15<sup>TH</sup>  
JUSTICE *Cr Campbell* ) DAY OF NOVEMBER, 2011  
)

BETWEEN:

THE TORONTO-DOMINION BANK

Applicant

- and -

2012241 ONTARIO LIMITED

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY  
ACT, R.S.C. 1985, c. B-3, as amended and SECTION 101 OF THE COURTS OF JUSTICE  
ACT, R.S.O. 1990 c. C.43, as amended**

**ORDER**

**THIS APPLICATION** made by the Applicant, *ex parte*, 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 and Receiver Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2012241 Ontario Limited (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 Kenneth Malcolm sworn November 10, 2011 and the exhibits thereto, and the affidavit of Theresa Kellen sworn November 15, 2011 and the exhibits attached thereto and on hearing the submissions of counsel for Applicant and on reading the consent of Ira Smith Trustee and 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 record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

**APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Ira Smith Trustee and Receiver Inc. 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").

**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 of 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 undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$150,000; 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, and in each case the Ontario Bulk Sales Act shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

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

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

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

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or

provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

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

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

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

8. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of

the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

9. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that 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.

#### **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, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.



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

19. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal 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 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

#### **GENERAL**

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

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

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

27. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, 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.

28. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than <sup>TWO (2) Hrs</sup> ~~seven (7)~~ days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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

NOV 15 2011

PER/PAR: 

Schedule "A"

RECEIVER CERTIFICATE

CERTIFICATE NO.

AMOUNT \$

1. THIS IS TO CERTIFY that Ira Smith Trustee and Receiver Inc., the receiver (the "Receiver") of the assets, undertakings and properties 2012241 Ontario Limited 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 \_\_\_\_\_ of MONTH, 20YR (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 MONTH, 20YR.

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

Per: \_\_\_\_\_  
Name:  
Title:

THE TORONTO-DOMINION BANK

and

2012241 ONTARIO LIMITED

Applicant

Respondent

Court File No. CV-11-9456-00CL

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

PROCEEDING COMMENCED AT TORONTO

**ORDER**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
Suite 1800, Box 754  
181 Bay Street  
Toronto, ON M5J 2T9  
Tel: (416) 863-1500  
Fax: (416) 863-1515

**Sanj Sood – LSUC No. 42137R**

Lawyers for the Applicant

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

TORONTO - DOMINION BANK.  
Plaintiff(s)

AND

2012241 ONTARIO LIMITED.  
Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No:	Facsimile No:
S. GOOD		

- Order  Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: \_\_\_\_\_
- Time Table approved (as follows):

The Bank seeks the appointment of a Receiver pursuant to s. 243 of the BIA & requests relief of costs on an urgent basis given the position of the debtor set out in an email from Ravinder Singh Chahal on Nov. 15/11 @ 1:08 pm.

Having read the motion record & heard from counsel for the Bank I am satisfied that the debt arrears & financial situation of the debtor including failure to retain the consultant as undertaken

Nov. 15 / 11  
Date

[Signature]  
Judge's Signature

Additional Pages \_\_\_\_\_

Superior Court of Justice  
Commercial List

**FILE/DIRECTION/ORDER**

Judges Endorsment Continued

That the debtor is insolvent & the appointment  
of a Receiver pursuant to s. 243 is  
appropriate & so approve in terms of the  
draft order filed.

Given that the scheduled hearing  
is set for Fri. Nov. 18 I am  
satisfied that the debtor will have  
every opportunity to respond to  
the Banks claim.

Order agreed as above



Court File Number: NEW

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

TD BANK  
Plaintiff(s)

AND

2012241 ONTARIO LTD.  
Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No:	Facsimile No:

- Order  Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: \_\_\_\_\_
- Time Table approved (as follows):

Counsel for TD appeared to seek leave to bring Application for Appointment of Receiver pursuant to s. 243 of BIA. I am satisfied with respect to urgency & of issue of required notice in BIA.

Subject to any arguments that may be made on the return - leave granted to issue Application on Commercial List

Nov. 14/11  
Date

[Signature]  
Judge's Signature

Additional Pages \_\_\_\_\_

## **APPENDIX P**

## Victoria Gifford

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**From:** Ira Smith <ira@irasmithinc.com>  
**Sent:** November 16, 2011 6:48 PM  
**To:** Grant Kerr; Kerr, Waid & Associates  
**Cc:** Domenico Magisano  
**Subject:** RE: TD Bank and 2012241 Ontario Limited (Your File No. 110495)  
**Attachments:** Ltr and encl to Principals 11 16 11.pdf

Dear Mr. Kerr:

We just received the notification below. For your assistance, enclosed please find the letter we issued today to the principals of 2012241 Ontario Limited, which is self-explanatory. If at all possible, we would appreciate hearing from you prior to Friday, November 18. Although the subject line of the email we received references The Toronto-Dominion Bank, my firm is the Court-appointed Receiver of 2012241 Ontario Limited. As you know, in such capacity, we are an Officer of the Court, acting on behalf of all creditors and we must report to the Court and seek the Court's approval in accordance with the Appointment Order (enclosed with our letter to the principals attached to this email).

The Receiver's independent legal counsel is Mr. Dom Magisano of Blaney McMurtry LLP. We look forward to your client's cooperation.

Best regards.



**IRA SMITH MBA, CA-CIRP**  
President

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

P: 905.738.4167 ext.111 | C: 905.738.4167 ext. 211  
F: 905.738.9848 | E: ira@irasmithinc.com  
[www.irasmithinc.com](http://www.irasmithinc.com)

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**From:** romanh@gmail.com [mailto:romanh@gmail.com] **On Behalf Of** Roman Humeniuk  
**Sent:** November-16-11 6:38 PM  
**To:** Ira Smith  
**Cc:** Grant Kerr; Kerr, Waid & Associates  
**Subject:** TD Bank and 2012241 Ontario Limited (Your File No. 110495)

This is to advise that our client, 2012241 Ontario Limited, has retained counsel concerning the above matter, namely;

H. G. Kerr Q.C.

Kerr Waid & Associates

Barristers & Solicitors

#200-39 Lakeshore Road East

Mississauga, Ontario L5G 1C9

Tel: 905 891 5750

Fax: 905 891 6070

Email: [\*\*mail@kerrwaid.on.ca\*\*](mailto:mail@kerrwaid.on.ca)

Mr. Kerr will be contacting you on Friday next, November 18.

R. Humeniuk  
Town-City Realty Limited

## APPENDIX Q

## Victoria Gifford

---

**From:** Ira Smith <ira@irasmithinc.com>  
**Sent:** November 17, 2011 2:17 PM  
**To:** ravi@chahalwilshire.com; dhaliwalj10@hotmail.com  
**Cc:** Grant Kerr; Kerr, Waid & Associates; Domenico Magisano  
**Subject:** 2012241 Ontario Limited  
**Attachments:** Ltr and encl to Principals 11 16 11.pdf

**Importance:** High

Dear Messrs. Chahal and Dhaliwal:

Please advise today the whereabouts of the assets, properties and undertakings of 2012241 Ontario Limited as per our letter to you of yesterday (attached again for your convenience) and when this week the assets and documents will be available for the Receiver to retrieve.

Thank you and we look forward to your cooperation.



**IRA SMITH MBA, CA-CIRP**  
President

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

P: 905.738.4167 ext.111 | C: 905.738.4167 ext. 211  
F: 905.738.9848 | E: [ira@irasmithinc.com](mailto:ira@irasmithinc.com)  
[www.irasmithinc.com](http://www.irasmithinc.com)

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---

**From:** Ira Smith  
**Sent:** November-16-11 5:02 PM  
**To:** ravi chahal ([ravi@chahalwilshire.com](mailto:ravi@chahalwilshire.com)); [dhaliwalj10@hotmail.com](mailto:dhaliwalj10@hotmail.com)  
**Subject:** 2012241 Ontario Limited  
**Importance:** High

Please see attached.



**IRA SMITH MBA, CA-CIRP**  
President

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

P: 905.738.4167 ext.111 | C: 905.738.4167 ext. 211  
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## **APPENDIX R**

**Blaney  
McMurtry**  
BARRISTERS & SOLICITORS LLP



EXPECT THE BEST

November 19, 2011

**VIA EMAIL**

Mr. R. Chahal, Project Manager  
2012241 Ontario Limited  
c/o 470 Chrysler Drive Unit 20  
Brampton, ON L6S 0C1

Mr. J. Dhaliwal, President  
2012241 Ontario Limited  
c/o 7420 Airport Road Unit 105  
Mississauga, ON L4T 1E5

Dear Sirs,

**Re: Receivership of 2012241 Ontario Limited ("201")**

We are counsel to Ira Smith Trustee & Receiver Inc., the court appointed receiver of 201 (the "**Receiver**").

As you are aware, on November 15, 2011 the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) made an Order appointing the Receiver (the "**Appointment Order**"). The Appointment Order provided, amongst other things, that all persons with notice of said Order deliver all Property (as defined in the Appointment Order) together with any books, records and all documents relating to 201 to the Receiver. You were provided with a copy of the Appointment Order on the evening of November 15, 2011.

On November 16, 2011 the Receiver wrote to you requesting immediate production of certain documents required for the administration of 201's affairs. Later that day the Receiver was advised that 201 had retained Kerr Wade & Associates as counsel in this matter. Based on this information the Receiver forwarded the above referenced letter to 201's counsel. A copy of the Receiver's letter dated November 16, 2011 is attached for your reference.

After being advised that Kerr Wade & Associates had not been formally retained by either you or 201, on November 17, 2011 the Receiver followed up with each of you on the information requested the previous day. It is now November 19, 2011 and we have yet to receive a response to the Receiver's correspondence. This information is required on an urgent basis and you are required to provide same forthwith.

We have also been advised by DUCA Financial Services that on November 16, 2011 a representative of 201 attended and obtained a bank draft in the amount of \$50,000.00

2 Queen Street East  
Suite 1500  
Toronto, Canada M5C 3G5  
416.593.1221 TEL  
416.593.5437 FAX  
www.blaney.com

Domenico Magisano  
416.593.2996  
dmagisan@blaney.com



payable to Rana Satwant Dhaliwal (the "**Bank Draft**"). Issuing the Bank Draft in the face of the Appointment Order is a serious matter that could have significant consequences. The funds withdrawn by virtue of the Bank Draft must be returned forthwith. As a result of the foregoing, we require the contact particulars for Rana Satwant Dhaliwal immediately including, home address, telephone number and any other contact information in your possession. Failure to return the funds in question and/or provide the contact information for Rana Satwant Dhaliwal would be further breaches of the Appointment Order.

We require the following by no later than 5:00 p.m. on November 21, 2011:

1. All information requested by the Receiver in its letter of November 16, 2011;
2. Return of the funds improperly withdrawn by way of the Bank Draft; and
3. Contact information (including home address, telephone number and any other contact information in your possession).

If you do not comply with the demands above we will be left with no alternative but to proceed with our legal remedies including, but not limited to, commencing contempt proceedings against each of you.

We trust that you will govern yourselves accordingly.

Yours very truly,

**Blaney McMurtry LLP**

Domenico Magisano

DM/vg

cc: Grant Kerr, Kerr, Wade & Associates  
Ira Smith, Ira Smith Trustee & Receiver Inc.  
Shawn Wolfson

# APPENDIX S

**DUCA** HEAD OFFICE: 5290 YONGE STREET  
 TORONTO, ON M2N 5P9  
 Financial Services Tel: (416) 223-8502 Fax: (416) 223-2575

OFFICIAL CHEQUE  
 66568

Date 11162011  
 MMDDYYYY

PAY REGISTERED \$50000 DOLS 00 CTS  
 76922

\$50000.00

TO THE ORDER OF RANA SATWANT DHALIWAL

DUCA Financial Services Credit Union Ltd.

PER *[Signature]* MP  
 PER *[Signature]* MP  
 authorized signatures

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⑈0005000000⑈

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2013

**THE TORONTO-DOMINION BANK**  
Applicant

and **2012241 ONTARIO LIMITED**  
Respondent

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding Commenced at **Toronto**

**MOTION RECORD**

**BLANEY McMURTRY LLP**  
Barristers and Solicitors  
1500 - 2 Queen Street East  
Toronto, ON M5C 3G5

**Domenico Magisano**  
Tel: (416) 593-2996  
Fax: (416) 593-5437

LSUC#: 45725E

Lawyers for Ira Smith Trustee & Receiver Inc., court appointed  
Receiver of 2012241 Ontario Limited