

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

B E T W E E N:

CITY OF TORONTO

Applicant

- and -

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Respondent

AIDE MEMOIRE OF THE RECEIVER

1. TDB Restructuring Limited, (“**TDB**”) in its capacity court-appointed receiver-manager (in such capacity, the “**Receiver**”) of all the assets, undertakings and properties of Harry Sherman Crowe Housing Co-operative Inc. (“**HSC**” or the “**Co-op**”), in connection with its obligation to report to the Court on an annual basis, seeks approval of the RFEIQ Process (as defined below). The RFEIQ Process is designed to solicit and gauge interest and qualifications from members of the Co-op to serve on the board of directors (the “**Board**”), with a view to developing a transition plan for return of management of the Co-op.

2. The Co-op is a “housing provider” within the meaning of the *Housing Services Act, 2011* (the “**Act**”) and operates and manages a co-operative housing project (the “**Housing Project**”) on property leased from York University (“**York U**”). The City of Toronto (the “**City**”) is the “service manager” within the meaning of the Act and is the Applicant in this proceeding. As set out in more detail in the Application Record filed in these proceedings, the City sought the appointment of a receiver-manager pursuant to s. 85 of the Act, based on certain “triggering events” within the

meaning of [s. 83](#) of the Act.¹ The triggering events leading to the appointment of the Receiver are set out in the letter from the City to the former Board of the Co-op dated March 29, 2021 (Appendix [“S”](#) to Receiver’s Second Report).

3. Since the Receiver’s appointment, the Receiver has managed the Housing Project, which activities included reviewing the Co-op’s books and records and report on issues relevant to the triggering events.² The Receiver’s property manager conducted a review of the Co-op’s books and records, which revealed a number of issues, including:

- (a) Incomplete information relating to occupancy status of units and indications that there may have been irregularities in the manner of allocation of units within the Housing Project;³
- (b) Non-compliance with the requirement to prioritize rent-geared-to-income (“**RGI**”) units;⁴ and,
- (c) Significant disparities in the state of repair among units in the Housing Project with an indication that members of the former Board were given priority to renovations.⁵

4. The Co-op is under certain obligations with respect to the allocation of units within the Housing Project.

- (a) As a housing project operated by a co-operative corporation, the Co-op is governed by the [Co-operative Corporations Act](#) (the “**Co-op Act**”). Pursuant to section [171.4](#) of the Co-op Act, only a member of the Co-op has a right to occupy a “member unit”, meaning a housing unit of a non-profit housing co-operative.⁶ The board of a co-operative may designate one or more units as “non-member units.”⁷

¹ [Housing Services Act, 2011, SO 2011, c 6, Sch 1, ss 83 and 85.](#)

² Second Report to the Court of TDB Restructuring Limited dated April 30, 2025 (the “**Second Report**”) at para. 14, [Case Center Master No. E24.](#)

³ Second Report at paras. 23 – 26, [Case Center Master No. E28](#); Appendix “K”, [Case Center Master No. E153.](#)

⁴ Second Report at paras. 26 – 29, [Case Center Master No. E30](#); Appendix “L”, [Case Center Master No. E212.](#)

⁵ Second Report at paras. 30 – 39, [Case Center Master No. E31](#); Appendix “M”, [Case Center Master No. E226.](#)

⁶ [Co-operative Corporations Act, RSO 1990, c C35, s. 171.4.](#)

⁷ [Co-operative Corporations Act, s. 171.5.](#)

- (b) Generally, [section 49](#) of the Act mandates the housing provider to abide by the system for allocation of RGI units set out in [section 47](#) of the Act, which is implemented by the service manager.⁸ An overview of the RGI system is set out in the Second Report at [paragraphs 71 to 73](#).

5. The Housing Project is governed by Part VII of the Act and obliged to operate in accordance with “the prescribed provincial requirements”, which are set out in the General regulations.⁹ These regulations include requirements to “proceed diligently to repair and restore” units that may be damaged to the extent that it is “uninhabitable”, and to maintain capital reserves to be used “only for expenditures for the construction or renovation of, or substantial repairs to, the housing project.”¹⁰

6. The Receiver has not received any information or assurances from the former Board of the Co-op that adequate efforts have been made to address the triggering events. Through counsel, the former Board has not provided any substantive responses to reasonable requests for information in this regard. At best, the former Board has purported to call an annual general meeting of members days before the return date of the within motion, without any prior consultation with the Receiver.¹¹

7. As a result, the Receiver recommends a preliminary process (the “**RFEIQ Process**”) for engaging with the membership, soliciting expressions of interest and qualifications from members of the Co-op, and formulating a recommendation to the Court as the viability of the Housing Project continuing to operate within the co-operative housing model.¹² The proposed RFEIQ

⁸ [Housing Services Act, 2011](#), ss. 47 – 49.

⁹ [Housing Services Act, 2011](#), s. 75.

¹⁰ [General](#), O Reg 367/11, ss. 95 and 98.

¹¹ Second Report at paras. 48 – 55, [Case Center Master No. E35](#); Supplemental Report to the Court dated May 8, 2025, at paras. 6 to 9, [Case Center Master No. E1202](#).

¹² Second Report at paras. 56 – 62, [Case Center Master No. E37](#).

Process is set out in Appendix “T” to the Second Report. A summary of the timelines and key events in the proposed RFEIQ Process is attached as Schedule “A”.

8. The Receiver submits that in the circumstances of the case, it is appropriate to approve the RFEIQ Process and authorize and direct the Receiver to take any and all actions as may be necessary or desirable to implement the RFEIQ Process.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

May 8, 2025

WEIRFOULDS LLP

Barrister & Solicitors
66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Philip Cho (LSO # 45615U)

pcho@weirfoulds.com

Tel: 416.365.1110

**Lawyers for the Receiver,
TDB Restructuring Limited**

SCHEDULE “A”

Summary of Timeline

<i>Information Phase</i>	
Within 21 days of Commencement Date (being the date of the Order approving this process)	Make RFEIQ Process and “FAQ” available to Co-op members
Within 45 days of Commencement Date	Hold Town Hall meeting to further explain RFEIQ Process and status of Receivership to Co-op members
<i>Solicitation Phase</i>	
30 days after Town Hall	Initial deadline for interested persons to submit Expression of Interest and Qualifications form (“ EIQ Form ”)
45-day period after Town Hall	Receiver to review submitted EIQ Forms and identify issues or concerns
60-day period after Town Hall	Receiver to communication with any EIQ applicants to clarify and allow for amendment or resubmission of EIQ Form
Within 75 days after Town Hall	Final deadline for EIQ Form submission (“ EIQ Deadline ”)
<i>Evaluation Phase</i>	
30-day period after EIQ Deadline	Receiver to review all EIQ Form submissions to confirm qualifications for candidacy
90-day period after EIQ Deadline	Receiver may conduct additional diligence on candidates, including meeting with candidates and conducting reference checks
90-day period after EIQ Deadline	Receiver may consult with City of Toronto and York University regarding long-term outlook based on EIQ’s received
<i>Reporting Phase</i>	
Subject to Court availability, within 12 months of Commencement Date	Receiver to prepare report on results of RFEIQ Process, evaluation of EIQ’s received and recommendation to the Court

CITY OF TORONTO

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Court File No. CV-22-00688248-00CL

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PROCEEDING COMMENCED AT
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AIDE MEMOIRE

WEIRFOULDS LLP
Barristers & Solicitors
66 Wellington Street West, Suite 4100
P.O. Box 35, Toronto-Dominion Centre
Toronto, ON M5K 1B7

Philip Cho (LSO# 45615U)
pcho@weirfoulds.com
416.619.6296

Tel: 416.365.1110

**Lawyers for the Receiver,
TDB Restructuring Limited**