

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

BETWEEN:

2615333 ONTARIO INC.

Applicant

- and -

**CENTRAL PARK AJAX DEVELOPMENTS PHASE 1 INC., 9654488 CANADA INC.,
9654461 CANADA INC., 9654372 CANADA INC., 9617680 CANADA INC. AND
9654445 CANADA INC.**

Respondents

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

**SUPPLEMENT TO THE FIFTH REPORT OF THE RECEIVER
(motion returnable on October 3, 2024)**

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I. UPDATE TO THE COURT SINCE THE FIFTH REPORT

1. This report (“**Supplemental Report**”) filed by the Receiver is a supplement to the Fifth Report of the Receiver dated September 16, 2024 (the “**Fifth Report**”). Any capitalized terms not defined herein have the meanings given to them in the Fifth Report.
2. On September 16, 2024, the Receiver served a motion record in connection with a motion returnable on October 3, 2024, for an approval and vesting order, among other things.
3. On September 26, 2024, at 5:01 p.m., through counsel, 2449880 Ontario Inc. (“**244**”) wrote to the Receiver with certain questions. A copy of this letter (“**244’s Letter**”) is contained in 244’s Motion Record dated September 27, 2024.
4. 244 is a judgment creditor of a number of the Respondents and Ajax Master Holding Inc., a corporation that formerly held title to a mortgage registered on title to certain Harwood Properties.
5. On September 27, 2024, at 4:53 p.m., the Receiver responded to 244’s Letter. A copy of the Receiver’s letter is attached at **Appendix “A”**. Shortly thereafter (at 4:54 p.m.), 244 served its Motion Record, which included an affidavit (incorrectly, given the timing of the emails) containing a statement that the Receiver had not responded to 244’s Letter.

II. TERMS OF REFERENCE

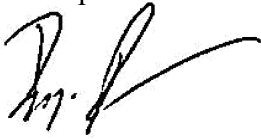
6. In preparing this Supplemental Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the “**Information**”). Certain of the information contained in this Supplemental Report may refer to, or is based on, the Information. As the Information has been provided by other parties or obtained

from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

All of which is respectfully submitted to this Court as of this 2nd day of October, 2024.

TDB Restructuring Limited, in its capacity
as Court-appointed Receiver of the Property,
and not in its personal or corporate capacity

Per:

A handwritten signature in black ink, appearing to read 'B. A. Tannenbaum', written over a horizontal line.

Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT
President

APPENDIX “A”

September 27, 2024

BY EMAIL

Adair Goldblatt Bieber LLP

401 Bay Street, Suite 3200
Toronto, ON M5H 2Y4

Re: 2615333 Ontario Inc. v. Central Park Ajax Developments Phase 1 Inc. et al
Court File No.: CV-20-00651299-00CL

We refer to your letter dated September 26, 2024. Capitalized words not defined herein have the meaning given to them in the Receiver's Fifth Report dated September 16, 2024, or in your letter, as applicable.

We are surprised to receive your letter. The transfer of the Mortgage from AMHI to Lakeshore was referred to in the Receiver's Fourth Report dated February 5, 2024, at paragraph 8. You were served with that report. If your client had concerns with that transfer, it ought to have raised them in the last seven months, if not earlier.

There has been no unfairness in the process leading to the APS. There were only two bidders in the Sale Procedure. The Purchaser was one of them (but was not a Qualified Bidder as it failed to pay a deposit at the time). The financial terms of the other bid were not acceptable. Though others expressed interest in reviewing the contents of the Data Room, none made bids.

As described in the Fifth Report, after the release of the March 2024 Reasons, the Receiver attempted to negotiate with the Town regarding a revised New Development Agreement. The Receiver was contacted by the Purchaser in late May 2024 about a further bid. Following negotiation, the Receiver and the Purchaser entered into the APS.

The Receiver did not thereafter approach others about making a potential bid. There was no point in doing so. All parties that had expressed an interest in the Harwood Properties either (a) did not make a bid or (b) made a bid that was unacceptable to the Receiver. The sale to the Purchaser is on the same terms that the market (a) considered as part of the Sale Process, and (b) did not pursue.

Your client appears to be fishing for information in order to support a potential fraudulent conveyance claim against AMHI and/or Lakeshore. The validity of that transfer is not an issue in this proceeding. The Receiver was not party to the transfer of the Mortgage and does not have a copy of the applicable agreement(s) relating to the transfer. Your client is not entitled to the

correspondence between the Receiver and the Purchaser, including with respect to the negotiation of the APS.¹

If your client intends to take a position on the motion returnable October 3, 2024, please advise as soon as possible.

Yours truly,

Thornton Grout Finnigan LLP



Alexander Soutter
AS

¹ *KEB Hana Bank v Mizrahi Commercial (The One) LP et al*, 2024 ONSC 4488 at para 16; *SA Capital Growth Corp v Mander Estate*, 2012 ONCA 681 at paras 7-9; *Re Battery Plus Inc*, 2002 CanLII 49569 at paras 19-21; and *Pinnacle v Kraus*, 2012 ONSC 6376 at para 27.

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- and -

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Court File No.: CV-20-00651299-00CL

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

Proceedings commenced at Toronto, Ontario

**SUPPLEMENT TO THE FIFTH REPORT OF THE
RECEIVER**

THORNTON GROUT FINNIGAN LLP
TD West Tower, Toronto-Dominion Centre
100 Wellington Street West, Suite 3200
Toronto, ON M5K 1K7

Rebecca L. Kennedy (LSO# 61146S)

Tel: (416) 304-0603

Email: rkennedy@tgf.ca

Alexander Soutter (LSO# 72403T)

Tel: (416) 304-0595

Email: asoutter@tgf.ca

Lawyers for the Court-appointed Receiver