

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985
cB-3, as amended and S. 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C-43, as
Amended

**MOTION RECORD OF THE RECEIVER
(Returnable April 6, 2023)**

March 27, 2023

**PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP**
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Tel: 416.646.4300

Jeffrey Larry (LSO# 44608D)
Tel: 416.646.4330
jeff.larry@paliareroland.com

Lawyers for the Receiver

INDEX

Tab	Document	Page No.
1	Notice of Motion of the Receiver dated March 27, 2023	2
A	Appendix A - Draft Order	10
2	Receiver's Third Report dated March 27, 2023	16
A	Appendix A - Order Appointing Receiver dated January 11, 2022	35
B	Appendix B – First Report of the Receiver dated March 1, 2022	52
C	Appendix C – Order dated March 22, 2022	72
D	Appendix D – Endorsement dated March 22, 2022	77
E	Appendix E – Second Report of the Receiver dated June 9, 2022	81
F	Appendix F – Supplemental Report to the Second Report of the Receiver dated June 22, 2022	103
G	Appendix G – Approval and Vesting Order dated June 24, 2022	113
H	Appendix H – Endorsement dated June 24, 2022	126
I	Appendix I – Ancillary Relief Order dated June 24, 2022	130
J	Appendix J – Receiver's Certificate dated July 11, 2022	134
K	Appendix K – Intermit Statement of Receipts as of March 15, 2023	138
L	Appendix L - Fee Affidavit of Daniel Weisz sworn on March 27, 2023	140
M	Appendix M - Fee Affidavit of Wendy Greenspoon-Soer and Blair Mestel. sworn on March 27, 2023	164
N	Appendix N – Fee Affidavit of Beatrice Loschiavo sworn on March 22, 2023	174

TAB 1

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

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

NOTICE OF MOTION

THE RECEIVER, RSM Canada Limited (the “**Receiver**”), will make a motion before the court on April 6, 2023 at 11:00 am, or as soon after that time as the motion can be heard, at 330 University Ave., Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard via remote videoconference.

THE MOTION IS FOR:

1. An Order substantially in the form attached as Appendix “A” to this Notice of Motion:

- (a) approving the Receiver’s Third Report to the Court dated March 27, 2023 (the “**Third Report**”) and the Receiver’s conduct and activities set out therein;
- (b) approving the Receiver’s cash receipts and disbursements for the period January 11, 2022 to March 15, 2023;
- (c) approving the fees of the Receiver for the period June 1, 2022 to March 15, 2023 and an estimate of the Receiver’s fees and disbursements to complete the administration of the receivership proceeding;
- (d) approving the fees of Garfinkle Biderman LLP (“**Garfinkle**”) for the period June 1, 2022 to July 12, 2022 and an estimate of Garfinkle’s fees and disbursements with respect to the Receiver completing the administration of the receivership proceeding;
- (e) approving the fees of Paliare Roland Rosenberg Rothstein LLP (“**Paliare**”) for the period June 1, 2022 to July 31, 2022 and an estimate of Paliare’s fees and disbursements to assist the Receiver to complete the administration of the receivership proceeding;
- (f) authorizing the Receiver to pay to the Purchaser the Final HST Refund (each as defined below);

- (g) authorizing the Receiver to pay to the Purchaser any additional funds that the Receiver may receive provided that the total aggregate amount of payments to the Purchaser does not exceed the Respondent's indebtedness to Amercan Corporation and Dragon Holding Global Real Estate Funds Inc. ("**Dragon**"); and
- (h) discharging the Receiver upon the Receiver filing a certificate with the Court confirming that the Receiver has completed the Remaining Duties (as defined and described below) (the "**Receiver's Discharge Certificate**") and authorizing the Receiver to complete certain administrative matters following the discharge of the Receiver.

THE GROUNDS FOR THE MOTION ARE:

A. Background

- 2. On January 11, 2022, the Receiver was appointed as receiver, without security, of the lands and premises municipally known as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") pursuant to an Order of this Court (the "**Appointment Order**").
- 3. The Property consists of 1.47 acres of vacant land owned at the time of the Appointment Order by Ideal.
- 4. Empirical Capital Corp. ("**Empirical**") held a first mortgage (the "**Empirical Mortgage**") in the principal amount of \$5,500,000 against the Property. As of November 15, 2021, the amount outstanding under the Empirical Mortgage was \$6,016,194.48.

5. Empirical sought the appointment of the Receiver pursuant to a Notice of Application dated November 25, 2021.

6. The Receiver retained the firm of Garfinkle, Empirical's counsel, to act as the Receiver's legal counsel where there is no conflict of interest.

7. The Receiver has also retained Paliare to act as the Receiver's independent legal counsel where Garfinkle has, or may be considered to have, a conflict of interest.

B. Sale of the Property

8. On June 24, 2022, the Honourable Justice Conway issued an Approval and Vesting Order to, among other things, approve the transaction (the "**Transaction**") by which the Property was sold to Dragon pursuant to an agreement of purchase and sale made May 30, 2022 (the "**APS**").

9. As detailed in the Receiver's Supplemental Second Report, Dragon assigned its rights to acquire the Property to 1000199992 Ontario Corp. (the "**Purchaser**").

10. The Transaction closed on July 12, 2022.

C. Receiver's Distributions and Proposed Distribution

11. Following the closing of the sale of the Property and receipt by the Receiver of the net sales proceeds therefrom, the Receiver made the following payments:

- (a) the amount of \$6,546,575.76 to Empirical, representing full payment owing under the Empirical Mortgage including funds advanced under Receiver Certificates 1 and 2;

- (b) the amount of \$44,980.44 to the City of Mississauga, being the total amount of the outstanding property taxes;
- (c) the amount of \$274,025.00 to Avison Young, being the total commission payable in respect of the sale of the Property;
- (d) the amount of \$200,008, to the Receiver, Garfinkle and Paliare being the total of amounts owing on account of their respective unpaid accounts described in the First Report and the Second Report; and
- (e) the amount of \$54,896 representing the unpaid accounts of the Receiver, Garfinkle and Paliare for the period June 1 to 30, 2022.

12. The Receiver anticipates receipt from CRA of approximately \$67,000 in HST refunds (the “**Final HST Refund**”). Once received, the Receiver intends to pay these funds to the Purchaser in accordance with the terms of the APS.

D. Discharge of the Receiver

13. The Receiver’s administration is substantially complete.

14. In order to avoid the costs of making a further motion to the Court to obtain the Receiver’s discharge, the Receiver is seeking an order discharging RSM from the powers, duties and obligations attendant to its appointment as Receiver, with the proviso that RSM may perform the Remaining Duties (as defined in the Third Report) and such other incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver.

E. Statutory and other grounds

15. Rules 1.04, 2.03, 3.02(1), 16, 37 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194; and

16. Such further and other grounds as counsel may advise and this Court may permit.

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

(a) the Third Report to the Court of the Receiver dated March 27, 2023 and the appendices attached thereto; and

(b) such further and other evidence as the lawyers may advise and this Honourable Court may permit.

March 27, 2023

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington St. W., 35th Floor
Toronto, ON M5V 3H1
Tel: 416.646.4300
Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)
Tel: 416.646.4330
jeff.larry@paliareroland.com

Lawyers for the Receiver

TO: THE SERVICE LIST

EMPIRICAL CAPITAL CORP.

-and-

IDEAL (WC) DEVELOPMENTS INC.

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West

35th Floor

Toronto, ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646.4330

jeff.larry@paliareroland.com

Lawyers for the Receiver

TAB A

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

THE HONOURABLE) TUESDAY THE 6TH DAY
)
JUSTICE) OF APRIL, 2023

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

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

DISCHARGE ORDER

THIS MOTION, made by **RSM CANADA LIMITED** in its capacity as the receiver (the "**Receiver**"), without security, of the property municipally known as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") owned by Ideal (WC) Developments Inc. (the "**Debtor**"), for an order authorizing the Receiver to carry out the Remaining Duties (as described and defined in the Third Report of the Receiver dated March 27, 2023 (the "**Third Report**")) and for the Receiver's discharge, was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report of the Receiver dated March 27, 2023 and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list,

1. **THIS COURT ORDERS AND DECLARES** that the Third Report and the conduct and activities of the Receiver set out therein be and are hereby approved.
2. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period June 1, 2022 to March 15, 2023, together with those fees estimated to completion, as set out in the Third Report, be and are hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's counsel, Paliare Roland Rosenberg Rothstein LLP ("**Paliare**") for the period June 1, 2022 to July 31, 2022, and Garfinkle Biderman LLP ("**Garfinkle**") for the period June 1, 2022 to July 12, 2022, together with those fees estimated to completion, as set out in the Third Report, be and are hereby approved.
4. **THIS COURT ORDERS** that the Receiver's statement of receipts and disbursements for the period January 11, 2022 to March 15, 2023, as set out in the Third Report, be and is hereby approved.
5. **THIS COURT ORDERS** that the Receiver is authorized to pay the Final HST Refund to the Purchaser (each as defined in the Third Report).
6. **THIS COURT ORDERS** that Receiver is authorized to distribute any additional funds that it may receive to the Purchaser, provided that the total aggregate amount of payments to the Purchaser does not exceed the Respondent's indebtedness to American and Dragon (each as defined in the Third Report).
7. **THIS COURT ORDERS** that upon the Receiver filing with this Court a certificate substantially in the form appended hereto as Schedule "A" certifying that the Receiver has completed the Remaining Duties (as defined in the Third Report), the Receiver shall be discharged as Receiver of the Property, provided however that notwithstanding its discharge as Receiver herein, RSM shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all authorizations, approvals, protections and stays of proceedings in favour of RSM in its capacity as receiver.

8. **THIS COURT FURTHER ORDERS AND DECLARES** that RSM is hereby forever released and discharged from any liability that RSM now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of RSM while acting in its capacity as Receiver including for certainty, in carrying out the Remaining Duties, save and except for any gross negligence or willful misconduct on the Receiver's part. Without limiting the generality of the foregoing, RSM is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the receivership, save and except for any gross negligence or willful misconduct on the Receiver's part.

9. **THIS COURT FURTHER ORDERS AND DECLARES** that notwithstanding its discharge herein, RSM may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver including, for certainty, carrying out the Remaining Duties, and RSM shall be forever released and discharged from any and all liability related to such incidental duties, save and except for any gross negligence or willful misconduct on the Receiver's part.

Schedule "A"

Court File No.: CV-21-00672628-00CL

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

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

RECEIVER'S DISCHARGE CERTIFICATE

A. By Order of the Ontario Superior Court of Justice (Commercial List) dated January 11, 2022 (the "Receivership Order"), RSM Canada Limited was appointed receiver (the "Receiver") of the property municipally known as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "Property").

B. Pursuant to an Order of the Court dated April 6, 2023 (the "Discharge Order"), the Court provided for the discharge of the Receiver upon certification that the Receiver has completed the Remaining Duties, as defined in and approved by the Discharge Order.

THE RECEIVER CERTIFIES it has completed the Remaining Duties.

**RSM CANADA LIMITED, in its capacity as
Receiver of the Property and not in its
personal capacity**

Per: _____

Name:

Title:

EMPIRICAL CAPITAL CORP.

-and-

IDEAL (WC) DEVELOPMENTS INC.

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

DISCHARGE ORDER

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West

35th Floor

Toronto, ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646.4330

jeff.larry@paliareroland.com

Lawyers for the Receiver

TAB 2

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

**THIRD REPORT OF THE RECEIVER OF
6532 & 6544 WINSTON CHURCHILL BOULEVARD, MISSISSAUGA, ONTARIO**

March 27, 2023

Table of Contents

- I. INTRODUCTION 1
- II. PURPOSE OF REPORT 1
- III. BACKGROUND 3
- IV. COMPLETION OF THE SALE OF THE PROPERTY 8
- V. PAYMENTS MADE FOLLOWING THE SALE OF THE PROPERTY 9
- VI. HST REFUNDS 10
- VII. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS 11
- VIII. PROFESSIONAL FEES 12
- IX. DISCHARGE OF THE RECEIVER 13
- X. CONCLUSION 14

Appendices

Appointment Order A
First Report, without appendices B
Marketing Process Order C
March 22 Endorsement D
Second Report, without appendices E
Supplemental Second Report, without appendices F
Approval and Vesting Order G
June 24 Endorsement H
Ancillary Relief Order I
Receiver's Certificate J
Interim Statement of Receipts and Disbursements K
Affidavit of Daniel Weisz L
Affidavits of Wendy Greenspoon-Soer and Blair Mestel M
Affidavit of Beatrice Loschiavo N

I. INTRODUCTION

1. Pursuant to an application made by Empirical Capital Corp. ("**Empirical**"), by Order of the Ontario Superior Court of Justice (the "**Court**") dated January 11, 2022 (the "**Appointment Order**"), RSM Canada Limited (the "**Receiver**") was appointed as receiver over the lands and premises known municipally as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") owned by Ideal (WC) Developments Inc. ("**Ideal**" or the "**Debtor**"). A copy of the Appointment Order is attached hereto as **Appendix "A"**.
2. As detailed in this report, the Receiver has substantially completed its duties and seeks approval of its final activities and its discharge.

II. PURPOSE OF REPORT

3. The purpose of this third report to the Court (the "**Third Report**") is to:
 - (a) report to the Court on the activities of the Receiver from the date of the Receiver's second report to the Court (the "**Second Report**") to March 24, 2023;
 - (b) report to the Court on the completion of the sale of the Property;
 - (c) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period January 11, 2022 to March 15, 2023 (the "**R&D**"); and
 - (d) seek an order:
 - i. approving the Third Report and the Receiver's conduct and activities set out therein;

- ii. approving the R&D;
- iii. approving the fees of the Receiver for the period June 1, 2022 to March 15, 2023 and an estimate of the Receiver's fees and disbursements to complete the administration of the receivership proceeding;
- iv. approving the fees of Garfinkle Biderman LLP ("**Garfinkle**") for the period June 1, 2022 to July 12, 2022 and an estimate of Garfinkle's fees and disbursements with respect to the Receiver completing the administration of the receivership proceeding;
- v. approving the fees of Paliare Roland Rosenberg Rothstein LLP ("**Paliare**") for the period June 1, 2022 to July 31, 2022 and an estimate of Paliare's fees and disbursements to assist the Receiver to complete the administration of the receivership proceeding;
- vi. authorizing the Receiver to pay to 1000199992 Ontario Corp. (the "**Purchaser**") the Final HST Refund (defined later in this report);
- vii. authorizing the Receiver to pay to the Purchaser any additional funds that the Receiver may receive, including preparing and providing to the Purchaser with amended Statement(s) of Adjustments to reflect the payment(s) made, provided that the total aggregate amount of payments to the Purchaser does not exceed the Respondent's indebtedness to Amercan and Dragon; and
- viii. discharging the Receiver upon the Receiver filing a certificate with the Court confirming that the Receiver has completed the Remaining Duties defined later herein (the "**Receiver's Discharge Certificate**") and

authorizing the Receiver to complete certain administrative matters following the discharge of the Receiver.

Terms of Reference

4. In preparing this report and making the comments herein, the Receiver has relied upon certain information from third-party sources (collectively, the “**Information**”). The Receiver has, 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 Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
5. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.

III. BACKGROUND

6. As at the date of the issuance of the Appointment Order, the Property consisted of approximately 1.47 acres of vacant land located at 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario.
7. Empirical held a first mortgage (the “**Empirical Mortgage**”) against the Property.
8. Empirical’s loan was originally due on March 2, 2020, however Empirical and the Debtor entered into a number of forbearance agreements. The Debtor failed to repay the amounts outstanding under the loan at the end of the forbearance term.
9. Accordingly, Empirical sought the appointment of the Receiver pursuant to a Notice of Application dated November 25, 2021.

10. On January 11, 2022, the Court issued the Appointment Order.
11. On March 2, 2022, the Receiver filed a motion record, returnable on March 22, 2022 (the “**March 22 Hearing Date**”) in support of its motion for, *inter alia*, an order:
 - a) terminating the agreements of purchase and sale entered into by Ideal with 15 home buyers (the “**Home Buyers**”) prior to the receivership (the “**Buyer Agreements**”);
 - b) approving the Receiver’s proposed marketing process (the “**Marketing Process**”) described in the Receiver’s first report to the Court (the “**First Report**”) and authorizing the Receiver to conduct the Marketing Process; and
 - c) authorizing the Receiver to enter into a listing agreement with Avison Young Commercial Real Estate Services, LP (“**Avison Young**”).

A copy of the First Report, without appendices, is attached hereto as **Appendix “B”**.

12. Prior to the March 22 Hearing Date, some of the Home Buyers and/or their counsel expressed concerns regarding the form of Order sought by the Receiver and, in particular, whether the termination of the Buyer Agreements would impact their ability to pursue their claims against the Debtor and its principals and/or the proceeds from the sale of the Property. Following consideration of the position of the Home Buyers, the Receiver agreed not to seek expressly the termination of the Buyer Agreements.
13. On March 22, 2022, the Honourable Justice Kimmel issued an order (the “**Marketing Process Order**”), in which the Court, *inter alia*:

- a) authorized the Receiver to retain Avison Young as the listing agent for the Property;
- b) approved the Marketing Process; and
- c) ordered that the Property be marketed and sold free from any legal, equitable or other claims that any person had, has, or may in the future have, against the Property in connection with or arising from any agreements of purchase and sale (the “**Agreements**”) entered into by the Debtor including any right to compel the closing of the transactions contemplated in the Agreements or any of them.

Copies of the Marketing Process Order and the related Endorsement of Justice Kimmel (the “**March 22 Endorsement**”) are attached as **Appendix “C”** and **Appendix “D”**, respectively, to this report.

14. On June 13, 2022, the Receiver filed a motion record, returnable on June 24, 2022 (the “**June 24 Hearing Date**”) in support of its motion for an order, *inter alia*:
- a) authorizing and directing the Receiver to enter into and carry out the terms of the transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale between the Receiver and Dragon Holding Global Real Estate Funds Inc. (“**Dragon**”) dated May 26, 2022 and executed by the Receiver on May 30, 2022 (the “**APS**”), together with any further minor amendments thereto deemed necessary by the Receiver in its sole opinion;
 - b) approving the sale of the Property in accordance with the terms of the APS and vesting in Dragon or as the Purchaser may further direct in writing, all right, title and interest of the Debtor in and to the Property, free from any

legal, equitable or other claims that any person had, has, or may in the future have, against the Property in connection with or arising from the Buyer Agreements, including any right to compel the closing of the transactions contemplated in the Buyer Agreements or any of them (the “**Buyer Agreement Claims**”), and free and clear of the encumbrances, estates, rights, title, liens, interest and claims set out in the APS (other than permitted encumbrances), upon closing of the Transaction and the delivery of a Receiver’s certificate to the Purchaser.

A copy of the Receiver’s Second Report, without appendices, is attached hereto as **Appendix “E”**.

15. On June 22, 2022, the Receiver issued a supplemental report to the Second Report (the “**Supplemental Second Report**”). The purpose of the Supplemental Second Report was to, *inter alia*,:
 - a) inform the Court of the assignment of the APS to the Purchaser;
 - b) provide the Court with the revised form of the Approval and Vesting Order being sought by the Receiver as a result of the assignment of the APS; and
 - c) provide information to the Court with respect to the affidavits of Syed Muhammad Faruqui Hasan (“**Mr. Faruqui Hasan**”) dated June 21, 2022 and June 24, 2022.

A copy of the Supplemental Second Report, without appendices, is attached hereto as **Appendix “F”**.

16. On June 24, 2022, the Honourable Justice Conway issued an order (the “**Approval and Vesting Order**”), in which the Court, *inter alia*,:

- a) approved the Transaction; and
 - b) authorized the Receiver to complete the Transaction and upon the completion of the Transaction and the issuance of a Receiver's Certificate, vested title in and to the Purchased Assets in the Purchaser.
17. In her Endorsement dated June 24, 2022 (the "**June 24 Endorsement**") Justice Conway addressed, and dismissed, the objections raised by Mr. Faruqui Hasan and others to the Transaction.
18. On June 24, 2022, Justice Conway also issued an order (the "**Ancillary Relief Order**"), in which the Court, *inter alia*:
- a) approved the Second Report, the Supplemental Second Report and the activities of the Receiver described therein;
 - b) sealed Confidential Appendix "1" and Tabs 1-4 therein until the closing of the sale of the Property;
 - c) approved the fees and disbursements of the Receiver and its counsel as set out in the Second Report; and
 - d) authorized the Receiver to make the Post-Closing Payments (as described and defined in the Second Report) and the Amended Empirical Distribution (as described and defined in the Supplemental Second Report).
19. Copies of the Approval and Vesting Approval Order, the June 24 Endorsement and the Ancillary Relief Order are attached hereto as **Appendix "G"**, **Appendix "H"** and **Appendix "I"**, respectively, to this report.

20. The Appointment Order, the First Report, the Marketing Process Order, the March 22 Endorsement, the Second Report, the Supplemental Second Report, the Approval and Vesting Order, the June 24 Endorsement, the Ancillary Relief Order and other court documents have been posted on the Receiver's website, which can be found at rsmcanada.com/6532-and-6544-winston-churchill.
21. As provided for in Paragraph 26 of the Appointment Order, the Receiver retained Garfinkle, Empirical's counsel, to act as the Receiver's legal counsel where there is no conflict of interest and to effect and complete the sale of the Property.
22. The Receiver retained Paliare to act as the Receiver's independent legal counsel where Garfinkle has, or may be considered to have, a conflict of interest.

IV. COMPLETION OF THE SALE OF THE PROPERTY

23. As set out in the Second Report, the Receiver entered into an APS with Dragon, with respect to the Property. As detailed in the Supplemental Second Report, Dragon assigned its rights to acquire the Property to the Purchaser.
24. The closing of the sale was completed on July 12, 2022 (the "**Transaction Closing Date**").
25. A copy of the Receiver's Certificate issued on July 12, 2022 confirming the completion of the sale of the Property is attached as **Appendix "J"** to this report.
26. Pursuant to the terms of the APS, the purchase price was comprised of the Cash Amount and the assumption of Amercan Corporation's ("**Amercan**") mortgage debt and a portion of the Dragon mortgage debt. As of the Transaction Closing Date, the Cash Amount was determined to be \$7,251,112.94 (the "**July 12 Cash Amount**") based on certain costs estimated by the Receiver on the basis of the

best evidence available at that time. The July 12 Cash Amount was paid to the Receiver prior to closing.

27. Pursuant to the Vendor's Undertaking to Readjust, the Vendor acknowledged and confirmed that all re-adjustments (the "**Post-Closing Re-Adjustment**") were to be requested in a detailed manner on or before ten (10) days before the date on which the Vendor attends before the Court to seek its discharge as court-appointed receiver over the Property (the "**Re-Adjustment Date**").
28. In order to complete the Post-Closing Re-Adjustment, including determining the final Cash Amount referenced in the APS, the amount of the final adjustments is required. The Receiver has determined that this information will not be available before the Re-Adjustment Date, as there remains outstanding the Final HST Refund (defined below). Accordingly, the Receiver confirmed with the Purchaser that the Re-Adjustment Date will be extended to be 30 days following receipt by the Receiver of the Final HST Refund.
29. Pending finalization of the Post-Closing Re-Adjustment, on March 23, 2023, the Receiver paid \$40,000 to the Purchaser representing a portion of the Receiver's cash on hand.

V. PAYMENTS MADE FOLLOWING THE SALE OF THE PROPERTY

30. Following the closing of the sale of the Property and receipt by the Receiver of the net sales proceeds therefrom, and in accordance with the Ancillary Relief Order, the Receiver made the following payments:

- a) to Empirical, the amount of \$6,546,575.76, representing full payment of the Amended Empirical Mortgage including funds advanced under Receiver Certificates 1 and 2;
- b) to the City of Mississauga, the amount of \$44,980.44, being the total amount of the outstanding property taxes;
- c) to Avison Young, the amount of \$274,025.00, being the total commission payable in respect of the sale of the Property;
- d) to the Receiver, Garfinkle and Paliare, the amount of \$200,008, being the total of amounts owing on account of their respective unpaid accounts described in the First Report and the Second Report; and
- e) to the Receiver, Garfinkle and Paliare, the amount of \$54,896 representing the total of their unpaid accounts for the period June 1 to 30, 2022.

VI. HST REFUNDS

- 31. The Receiver opened an HST account with Canada Revenue Agency (“**CRA**”) in order to claim a refund for input tax credits paid during the course of the receivership administration.
- 32. The Receiver filed HST returns for the period January 11, 2022 to January 31, 2023, claiming input tax credits totaling \$67,537.22 (the “**Final HST Return**”). As of the date of this report, the Receiver is awaiting receipt of a refund from CRA in the amount of approximately \$67,000 (the “**Final HST Refund**”) in respect of the Final HST Return.
- 33. The Receiver will not be filing an HST return in order to claim the input tax credits for disbursements made after January 31, 2023. The Receiver had estimated that

its costs to complete its administration of the receivership would be approximately \$15,000 (inclusive of HST) which could possibly yield a further HST refund of only approximately \$1,700 (the “**Post HST Credits**”).

34. Given the structure of the Transaction, the beneficiary of the Post HST Credits would be the Purchaser. In the circumstances, including the *de minimis* nature of the potential refund, the Purchaser informed the Receiver that the Purchaser was prepared to forgo the Post HST Credits.
35. Taking the above into account, the Receiver is requesting approval to pay the Final HST Refund to the Purchaser within 30 days of receipt of that refund.

VII. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

36. Attached as **Appendix “K”** is the Receiver’s Interim Statement of Receipts and Disbursements (the “**R&D**”) for the period January 11, 2022 to March 15, 2023. During this period, receipts were \$7,273,325, disbursements were \$662,120. Following payment to Empirical of \$6,546,576, representing full payment of the Empirical Mortgage and Receiver Certificates 1 and 2, the net cash balance in the Receiver’s bank account as at March 15, 2023 was \$64,630. As set out above, on March 23, 2023, the Receiver paid \$40,000 to the Purchaser pending completion of the Post-Closing Re-Adjustment.
37. The balance of the Receiver’s cash on hand, net of any further payments to be made by the Receiver, will be paid to the Purchaser as part of the Post-Closing Re-Adjustment.

VIII. PROFESSIONAL FEES

38. The Receiver's accounts for the period June 1, 2022 to March 15, 2023 total \$54,303.00 in fees, plus HST of \$7,059.40 for a total amount of \$61,362.40 (the "**Receiver's Invoices**") and estimated to completion of \$10,000.00 inclusive of HST (collectively, the "**Receiver's Final Accounts**"). Copies of the Receiver's Invoices, together with a summary of the Receiver's Invoices, the total billable hours charged per the accounts, and the average hourly rate charged per the Receiver's Invoices, is set out in the Affidavit of Daniel Weisz sworn March 27, 2023 attached hereto as **Appendix "L"**.
39. The accounts of the Receiver's counsel, Garfinkle, total \$27,186.45 in fees and disbursements and \$3,524.28 in HST for a total of \$30,710.73 for the period June 1, 2022 to July 12, 2022 (the "**Garfinkle Invoices**"), and estimated to completion of \$1,194.14 inclusive of HST (collectively, the "**Garfinkle Final Accounts**"). Copies of the Garfinkle Invoices, together with a summary of the personnel, hours and hourly rates described in the Garfinkle Invoices, are set out in the Affidavit of Wendy Greenspoon-Soer sworn July 4, 2022, the Affidavit of Blair Mestel sworn August 10, 2022, and the Affidavit of Wendy Greenspoon-Soer sworn March 27, 2023 attached to this report as **Appendix "M"**.
40. The account of the Receiver's independent legal counsel, Paliare, totals \$19,313.50 in fees and disbursements and \$2,469.16 in HST for a total of \$21,782.66 for the period June 1, 2022 to July 31, 2022 (the "**Paliare Invoices**"), and estimated to completion of \$3,955.00 inclusive of HST (collectively, the "**Paliare Final Accounts**"). Copies of the Paliare Invoices, together with a

summary of the personnel, hours and hourly rates described in the Paliare Invoices, are set out in the Affidavit of Beatrice Loschiavo sworn March 22, 2023 attached to this report as **Appendix “N”**.

IX. DISCHARGE OF THE RECEIVER

41. As of the date of this Third Report, the Receiver’s remaining duties (the “**Remaining Duties**”) include the following:

- a) paying the unpaid portion of the Receiver’s Final Accounts;
- b) paying the unpaid portion of the Garfinkle Final Accounts;
- c) paying the unpaid portion of the Paliare Final Accounts;
- d) paying to the Purchaser the Final HST Refund;
- e) following the above payments and any related bank charges, paying to the Purchaser the remaining funds that are in the Receiver’s bank account; and
- f) preparing the Final Statement of Receiver pursuant to section 246(3) of the *Bankruptcy and Insolvency Act* including the Receiver’s Final Statement of Receipts and Disbursements.

42. As the Receiver’s administration is substantially complete, and in order to avoid the costs of making a further motion to the Court to obtain the Receiver’s discharge, the Receiver is presently seeking an order (i) authorizing the Receiver to pay to the Purchaser any additional funds that the Receiver may receive, provided that the total aggregate amount of payments to the Purchaser does not exceed the Respondent’s indebtedness to Amercan and Dragon, and preparing and providing to the Purchaser, as required, an amended Statement(s) of Adjustments to reflect the payment(s) made to the Purchaser; and (ii) discharging

RSM from the powers, duties and obligations attendant to its appointment as Receiver (the “**Discharge Order**”) upon the completion of the Remaining Duties and filing of the Receiver’s Discharge Certificate, with the proviso that RSM may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver.

X. CONCLUSION

43. Based on the foregoing, the Receiver respectfully requests that the Court grant an Order:

- a) approving the Third Report and the Receiver’s conduct and activities set out therein;
- b) approving the R&D;
- c) approving the Receiver’s Final Accounts;
- d) approving the Garfinkle Final Accounts;
- e) approving the Paliare Final Accounts;
- f) authorizing the Receiver to pay to the Purchaser the Final HST Refund;
- g) authorizing the Receiver to pay to the Purchaser any additional funds that the Receiver may receive, including preparing and providing to the Purchaser amended Statement(s) of Adjustments to reflect the payment(s) made, provided that the total aggregate amount of payments to the Purchaser does not exceed the Respondent’s indebtedness to American and Dragon; and
- h) discharging the Receiver upon the Receiver filing the Receiver’s Discharge Certificate with the Court confirming that the Receiver has completed the

Remaining Duties and authorizing the Receiver to complete certain administrative matters following the discharge of the Receiver.

All of which is respectfully submitted to this Court as of this 27th day of March, 2023.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of
6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
Senior Vice-President

TAB A

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

THE HONOURABLE MADAM) TUES DAY, THE 11th DAY
JUSTICE DIETRICH) OF JANUARY, 2022
)

B E T W E E N:



EMPIRICAL CAPITAL CORP.

Applicant

-and-

IDEAL (WC) DEVELOPMENTS INC.

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
(appointing Receiver)**

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing RSM Canada Limited as receiver (in such capacities, the "Receiver"), without security, over the lands and premises known municipally as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario and more particularly described as:

PIN – 13243 – 0378 LT

PART LOT 9 CONCESSION 11 (NEW SURVEY) TRAFALGAR,

DESIGNATED AS PART 1, PLAN 43R37427; CITY OF
MISSISSAUGA; and

PIN – 13243 – 0269 LT

PCL BLOCK 19-1, SEC 43M932; BLK 19, PL 43M932; CITY OF
MISSISSAUGA

(collectively the “**Property**”) owned by Ideal (WC) Developments Inc. (the “**Debtor**”) was heard today via Video Conference.

ON READING the affidavit of Abraham Strahl sworn November 24, 2021 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and on reading the consent of RSM Canada Limited to act as the Receiver.

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM Canada Limited is hereby appointed Receiver, without security, of the Property and for all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to the Property, including all proceeds thereof (together with the Property, hereinafter collectively referred to as the “**Property**”).

RECEIVER’S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage the Property, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, or cease to perform any contracts of the Debtor in respect of the Property;
- (d) to engage consultants, appraisers, agents, experts, real estate brokers, 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 receive and collect all monies and accounts now owed or hereafter owing to the Debtor in respect of the Property and to exercise all remedies of the Debtor in respect of the Property in collecting such monies, including, without limitation, to enforce any security held by the Debtor in respect of the Property;
- (f) to settle, extend or compromise any indebtedness owing to the Debtor in respect of the Property;
- (g) 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;
- (h) 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 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;

- (i) 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;
- (j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, with the approval of this Court and 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;
- (k) 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; other than such permitted encumbrances as may be acceptable to the purchaser or rights that run with the land;
- (l) 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;
- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) to apply for any permits, licences, approvals or permissions in respect of the Property 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;
- (o) 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;

- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have in respect of the Property; and
- (q) 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 their 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 relating to the Property, 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 IN RESPECT OF THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of 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 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 in respect of the Property, 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 in respect of the Property, 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 in respect of the Property 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 in respect of the Property 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.

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 respect of the Property 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"). For certainty, all receipts in respect of the Property shall be deposited into the Post Receivership Accounts and all Permitted Disbursements (defined below) shall be drawn from the Post Receivership Accounts. "Permitted Disbursements" shall include realty taxes, utilities, insurance, maintenance expenses, other reasonable Property-specific expenses, and business expenses associated with the Property. 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. 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.

ACCESS RIGHTS / NO POSSESSION BY THE RECEIVER

15. THIS COURT ORDERS that the Receiver is authorized to have access to any area of the Property, and to provide access to its agents, or any prospective purchaser of the Property and / or their agents or any other party.

16. THIS COURT ORDERS that the Receiver shall not go into possession of the Property. For greater certainty, neither the Receiver nor any other party shall be deemed to be in possession of the Property as a result of: (i) it taking any steps to secure or maintain the Property; (ii) it exercising those access rights provided for under paragraph 15 of this Order or (iii) it exercising those access rights provided for in this paragraph 16.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, 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

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise

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

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

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (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.

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

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

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

SERVICE AND NOTICE

24 THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.rsmcanada.com/6532-and-6544-winston-churchill

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

RETENTION OF LAWYERS

26. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. The Receiver is specifically authorized and permitted to

use the solicitors for the Applicant herein as its own counsel in respect of any matter where there is no conflict of interest. In respect of any legal advice or issue where a conflict may exist or arise in respect of the Applicant and the Receiver or a third party, the Receiver shall utilize independent counsel.

GENERAL

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

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

29. THIS COURT ORDERS that the Land Registry Office for the Land Titles Division of Peel (No. 43) shall register this Order against title to the Property.

30. 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.

31. 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.

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

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

Dietrich J.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "Receiver") of the Property, as such terms are defined in the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 2021 appointing the Receiver (the "Order") made in an application having Court file number CV-21-_____, 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 _____, 2021_.

RSM Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____
Name:
Title:

EMPIRICAL CAPITAL CORP.

and

IDEAL (WC) DEVELOPMENTS INC.

Applicant

Respondent

Court File No. CV-21-00672628-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
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
Proceeding commenced at Toronto

ORDER

GARFINKLE BIDERMAN LLP

Barristers & Solicitors
1 Adelaide Street East, Suite 801
Toronto, Ontario
M5C 2V9

Wendy Greenspoon-Soer LSO#: 34698L

Tel: 416-869-1234

Fax: 416-869-0547

Lawyers for the Applicant,
EMPIRICAL CAPITAL CORP.

File Number: 11087-008

TAB B

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

**FIRST REPORT OF THE RECEIVER OF
6532 & 6544 WINSTON CHURCHILL BOULEVARD, MISSISSAUGA, ONTARIO**

MARCH 1, 2022

Table of Contents

I.	INTRODUCTION	1
II.	PURPOSE OF REPORT	2
III.	BACKGROUND	4
IV.	RECEIVER'S ACTIVITIES TO DATE	5
V.	BUYER AGREEMENTS	6
VI.	DEPOSITS PAID TO IDEAL	8
VII.	PROPOSED MARKETING PROCESS	10
VIII.	THE IMPACT OF THE BUYER AGREEMENTS ON THE PROPOSED MARKETING PROCESS	12
IX.	SEALING OF CONFIDENTIAL APPENDICES	13
X.	SECURED OR PRIORITY CLAIMS	14
XI.	RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS	15
XII.	PROFESSIONAL FEES	15
XIII.	CONCLUSION	16

Appendices

Appointment Order A
245 Notice B
October 29 Letter C
December 1 Letter..... D
PPSA..... E
PIN F
Legal Opinion on Security G
Interim Statement of Receipts and Disbursements H
Affidavit of Daniel Weisz..... I
Affidavit of Wendy Greenspoon-Soer J

Confidential Appendices

Buyer Agreement 1
Summary of Buyer Agreements of Purchase and Sale and Deposits Paid 2
Summary of Listing Proposals..... 3
Listing Agreement 4

I. INTRODUCTION

1. Pursuant to an application made by Empirical Capital Corp. ("**Empirical**"), by Order of the Ontario Superior Court of Justice (the "**Court**") dated January 11, 2022 (the "**Appointment Order**"), RSM Canada Limited ("**RSM**" or the "**Receiver**") was appointed as receiver over the lands and premises known municipally as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") owned by Ideal (WC) Developments Inc. ("**Ideal**" or the "**Debtor**"). A copy of the Appointment Order is attached hereto as **Appendix "A"**.
2. The Appointment Order authorizes the Receiver to, among other things:
 - a) take possession of and exercise control of any and all proceeds, receipts and disbursements arising out of or from the Property;
 - b) receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the engaging of independent security personnel and the placement of such insurance coverage as may be necessary or desirable;
 - c) engage real estate brokers to assist with the exercise of the Receiver's power and duties;
 - d) 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; and
 - e) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, with the approval of the Court.

3. The Appointment Order also provides that the Receiver shall not go into possession of the Property. The Appointment Order, however, authorizes the Receiver to have access to any area of the Property, and to provide access to its agents, or any prospective purchaser of the Property and/or their agents or any other party.
4. The Appointment Order and other court documents have been posted on the Receiver's website, which can be found at rsmcanada.com/6532-and-6544-winston-churchill.
5. As provided for in Paragraph 26 of the Appointment Order, the Receiver has retained the firm of Garfinkle Biderman LLP ("**Garfinkle**"), Empirical's counsel, to act as the Receiver's legal counsel where there is no conflict of interest.
6. The Receiver has also retained the firm of Paliare Roland Rosenberg Rothstein LLP ("**Paliare**") to act as the Receiver's independent legal counsel where Garfinkle has, or may be considered to have, a conflict of interest.

II. PURPOSE OF REPORT

7. The purpose of this first report to the Court (the "**First Report**") is to:
 - (a) report to the Court on the activities of the Receiver from the date of its appointment to February 28, 2022;
 - (b) provide background information about the Property;
 - (c) provide the Court with information on the agreements of purchase and sale entered into by the Debtor with 15 home buyers prior to the receivership (the "**Buyer Agreements**");

- (d) provide the Court with information on the Receiver's proposed marketing and sale process (the "**Marketing Process**");
- (e) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period January 11, 2022 to February 28, 2022 (the "**R&D**"); and
- (f) seek an order:
 - i. terminating the Buyer Agreements;
 - ii. approving the Receiver's proposed Marketing Process and authorizing the Receiver to conduct the Marketing Process;
 - iii. authorizing the Receiver to enter into a listing agreement with Avison Young Commercial Real Estate Services, LP ("**Avison Young**");
 - iv. sealing Confidential Appendices "1" to "4" to the First Report;
 - v. approving the First Report and the Receiver's conduct and activities set out therein;
 - vi. approving the R&D;
 - vii. approving the fees of the Receiver for the period ending February 28, 2022; and
 - viii. approving the fees of Garfinkle for the period ending February 22, 2022.

Terms of Reference

8. In preparing this report and making the comments herein, the Receiver has relied upon certain information from third-party sources (collectively, the "**Information**"). The Receiver has, 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 Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

9. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

III. BACKGROUND

10. The Property consists of approximately 1.47 acres of vacant land located at 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario. The Respondent Ideal is a single purpose company incorporated in Ontario for a planned residential real estate development on the Property and is the registered owner of the Property. According to a corporate profile report, the registered head office of Ideal is 10 Milner Business Court, Suite 400, Scarborough, Ontario. Shajiraj Nadarajalingam is the sole director and officer of Ideal.
11. Empirical specializes in providing land financing that allows borrowers to acquire land for residential development, perform pre-development site servicing, and refinance while awaiting development approval. Empirical holds a first mortgage (the “**Empirical Mortgage**”) in the principal amount of \$5,500,000 against the Property. As of November 15, 2021, the amount outstanding under the Empirical Mortgage was \$6,016,194.48.
12. Empirical’s loan was originally due on March 2, 2020, however Empirical and the Debtor entered into a number of forbearance agreements, the last of which provided that the loan was to be repaid on November 15, 2021. The Debtor failed

to repay the amounts outstanding under the loan at the end of the forbearance term.

13. Accordingly, Empirical sought the appointment of the Receiver pursuant to a Notice of Application dated November 25, 2021.
14. On January 11, 2022, the Court issued the Appointment Order.

IV. RECEIVER'S ACTIVITIES TO DATE

Securing the Property

15. In order to monitor the condition of the Property on an ongoing basis, the Receiver has arranged for Moreau On Site Property Services Inc. ("**MPS**") to conduct weekly inspections of the Property to check the condition of the fence surrounding the Property and for any signs of trespass or garbage dumping.
16. Upon the Receiver's appointment, MPS attended at the Property and secured the fence by chaining and padlocking the openings in the fence.
17. Based on information received from the Debtor, the Receiver determined that the temporary fencing is rented from a third-party supplier. The Receiver has contacted the supplier and made arrangements for the continuing rental of the temporary fencing.

Insurance

18. The Receiver obtained its own liability insurance with coverage effective January 11, 2022. The Receiver's coverage is scheduled to expire on April 11, 2022 and will be renewed as required.

19. As the Property is vacant, the Receiver's insurer requires site inspections of the Property. Site inspections will be continued until the Property is sold.

Statutory Notices

20. On January 21, 2022, the Receiver sent a Notice and Statement of Receiver pursuant to Section 245(1) of the Bankruptcy and Insolvency Act to the known creditors with claims against the Property (the "**245 Notice**"). A copy of the 245 Notice is attached hereto as **Appendix "B"**.

V. BUYER AGREEMENTS

21. Ideal planned to build 15 homes on the Property in a development marketed as "Jewels of the Meadows". As of the date of the Appointment Order, Ideal had entered into Buyer Agreements for all 15 lots at the Property. The Buyer Agreements are dated between August 14, 2019 and March 3, 2021. Ideal has provided to the Receiver copies of each of the Buyer Agreements. A redacted version of one of the Buyer Agreements is attached hereto as **Confidential Appendix "1"**.
22. By letter dated October 29, 2021 (the "**October 29 Letter**"), the Debtor advised the home buyers (the "**Home Buyers**") that the Debtor was unable to complete the Buyer Agreements due to the recent cancellation of Ideal's license to build and other factors beyond its control. A copy of the October 29 Letter is attached hereto as **Appendix "C"**. As of October 29, 2021, no construction had commenced on the Property.

23. By letter dated December 1, 2021 sent by Ideal to each of the Home Buyers (the “**December 1 Letter**”), Ideal informed the Home Buyers that Ideal had decided to sell the project to a third-party purchaser, with the sale expected to close on December 15, 2021. A copy of a redacted December 1 Letter is attached hereto as **Appendix “D”**.
24. The Receiver notes that any interest the Home Buyers have in the Property is fully subordinated to any mortgages on the Property. Paragraph 36(a) of the Buyer Agreements reads as follows:
- “The Purchaser hereby acknowledges the full priority of any construction financing or other mortgages arranged by the Vendor and secured by the Property over his interest as Purchaser for the full amount of the said mortgage or construction financing, notwithstanding any law or statute to the contrary and agrees to execute all acknowledgments or postponements required to give full effect thereto. Without limiting the generality of the foregoing, the Purchaser agrees that this Agreement shall be subordinated to and postponed to the mortgage(s) assumed and/or arranged by the Vendor (and presently registered or to be registered on title to the Property) and any advances made thereunder from time to time...”*
25. The Receiver’s observations on the Buyer Agreements and their potential impact on the Receiver’s proposed marketing process are set out later in this report.

VI. DEPOSITS PAID TO IDEAL

26. According to information that Ideal provided to the Receiver, Ideal received deposits totalling \$4,580,000 from the Home Buyers (the “**Deposits**”). A list of the Home Buyers showing the purchase prices for each of the homes, and deposits paid, is attached hereto as **Confidential Appendix “2”**. Taking into account the number of lots and the aggregate amount of the Deposits, the average deposit paid was approximately \$305,000.
27. In the December 1 Letter, Ideal informed Home Buyers that Ideal intended on returning the Deposits to the Home Buyers and that, in consideration of the return of the Deposits to the Home Buyers, Ideal requested that the Home Buyers execute termination and mutual release agreements.
28. While it appears that some of the Home Buyers signed the releases, it is the Receiver’s understanding that the Deposits have not been returned to the Home Buyers and that certain of the Home Buyers have issued statements of claim against Ideal.
29. By email correspondence dated January 11, 17 and 27, 2022, the Receiver, among other things, requested from Ideal details of payments or deposits received from Home Buyers, as well as an accounting setting out the status and disposition of the deposits received. On January 31, 2022, Ideal informed the Receiver that Ideal was not holding any of the Deposits but did not provide the Receiver with any information as to Ideal’s disposition of the Deposits.
30. By email dated February 22, 2022, the Receiver informed Ideal that the Receiver was in the process of preparing its report to the Court and that in order that the

Receiver could report to the Court on the disposition of the Deposits, the Receiver requested that Ideal provide to the Receiver, by February 25, 2022, a full accounting setting out the disposition of the Deposits. As of the date of this First Report, the information requested on the disposition of the Deposits has not been provided to the Receiver.

31. Two Home Buyers, who the Receiver understands are not represented by counsel, contacted the Receiver in connection with their concerns regarding their claims to recover the deposits paid to Ideal and, in particular, whether the engagement of counsel by the Home Buyers would provide those Home Buyers with priority over Home Buyers who have not engaged counsel. The Receiver explained to those two Home Buyers that the claims of Home Buyers who engaged counsel would not have priority to the claims of Home Buyers who had not engaged counsel. Nevertheless, if any Home Buyers are considering any possible action for the return of their deposits and/or other potential damages, the Receiver advises those Home Buyers to contact a lawyer as the Receiver is not in a position to provide any advice to Home Buyers.
32. The Receiver/counsel to the Receiver has engaged in discussions with Tarion with respect to the within receivership and the Deposits. The Receiver and Tarion intend to continue their discussions and cooperate in response to developments in the receivership and will, as appropriate, share information with each other.
33. Should they wish, Home Buyers have the option to contact Tarion directly with any questions regarding their deposits or related matters at www.tarion.com .

VII. PROPOSED MARKETING PROCESS

- 34. The Appointment Order authorizes the Receiver to market the Property for sale, including advertising and soliciting offers in respect of the Property.
- 35. In furtherance of same, the Receiver invited three realtors, Avison Young, CBRE Limited (“**CBRE**”) and Cushman & Wakefield (“**Cushman**”), to submit listing proposals for the marketing and sale of the Property. The submission deadline for proposals was February 2, 2022, and all three realtors submitted listing proposals. Attached as **Confidential Appendix “3”** is a summary of salient points of each of the listing proposals received.
- 36. After reviewing the proposals submitted, including information provided by each of the realtors on their views on the Property’s estimated realizable value, their proposed marketing strategy and compensation structure, the Receiver, with the concurrence of Empirical, proposes to enter into a listing agreement with Avison Young to market the Property for sale.
- 37. The Receiver’s/Avison Young’s proposed marketing process for the Property is summarized below:

Summary of Proposed Marketing Process	
<p>Pre-Marketing</p> <p><i>Pre-marketing due diligence</i></p> <ul style="list-style-type: none"> • Review of available documents <p><i>Preliminary discussions</i></p> <ul style="list-style-type: none"> • Pre-market conversations with targeted purchasers <p><i>Finalize marketing material</i></p> <ul style="list-style-type: none"> • Detailed marketing brochure • Online data room • Finalization of due diligence material 	2-4 Weeks

<p>Marketing</p> <p><i>3-Staged marketing process</i></p> <ul style="list-style-type: none"> • Stage 1: Personal introduction to target prospects • Stage 2: Mass Marketing introduction • Stage 3: Detailed information to qualified prospects <p><i>Set bid-date.</i></p>	<p>4-6 Weeks</p>
<p>Negotiation/Closing</p> <p><i>Negotiating / due diligence</i></p> <ul style="list-style-type: none"> • Review and summarize all offers • Set final negotiation strategy <p><i>Closing (including Court approval of proposed sale, etc.)</i></p>	<p>7-8 Weeks</p>

38. Additional aspects of the proposed Marketing Process include:
- a) the Property will be marketed on an “as is, where is” basis;
 - b) the Property will be listed “unpriced”;
 - c) the Property will be listed on MLS;
 - d) the Receiver will have the right to reject any and all offers, including the highest offer; and
 - e) any transaction by the Receiver for the Property will be subject to Court approval.
39. The Receiver will provide information on the Receiver’s/Avison Young’s marketing efforts at the time that the Receiver seeks the approval of the Court for any agreement of purchase and sale that the Receiver proposes to enter.
40. Attached hereto as **Confidential Appendix “4”** is a copy of the Listing Agreement (the “**Listing Agreement**”) executed by Avison Young that the Receiver proposes to sign. The Receiver is seeking an Order authorizing the Receiver to enter into the Listing Agreement.

VIII. THE IMPACT OF THE BUYER AGREEMENTS ON THE PROPOSED MARKETING PROCESS

41. The Receiver had concerns that if a purchaser of the Property was required to assume the Buyer Agreements, the estimated realizable value of the Property would be reduced by the amount of the Deposits which do not appear to be available to a purchaser of the Property.
42. In order to assist the Receiver determine if its concerns were valid, the Receiver requested that each of Avison Young, CBRE and Cushman consider the impact of the Buyer Agreements on the realizable value of the Property. More particularly, the Receiver asked that the brokers include in their listing proposals their comments on the estimated realizable value of the Property under the following scenarios: (i) a buyer for the Property had to honour the existing Buyer Agreements; and (ii) the Buyer Agreements were terminated and the Property could be conveyed to a purchaser without those agreements in place.
43. The listing proposals received by the Receiver addressed the Buyer Agreements, including that:
 - i) benchmark sale prices for single family dwellings have increased approximately 35% over the last 12 months, and almost 60% over the last three years. Likewise, construction costs have risen an estimated 24% year-over-year and are up over 40% since 2017;
 - ii) it would be extremely unlikely that a buyer would want to assume the Buyer Agreements given the market value is materially higher now than when negotiated 12-14 months ago, whereas construction costs are higher today; and

- iii) requiring purchasers to honour the existing Buyer Agreements will result in a significant discount in land value of up to 80%.

- 44. In summary, the realtors were of the strong view that the Property should be offered for sale free of the Buyer Agreements.
- 45. As a result of the above, it is evident to the Receiver that the realizations from the Property would be maximized if the Property is marketed with no Buyer Agreements in place.
- 46. Accordingly, and taking the above into account, the Receiver is seeking an Order terminating all the Buyer Agreements.

IX. SEALING OF CONFIDENTIAL APPENDICES

- 47. The Receiver is of the view that disclosure of the information included in Confidential Appendices “1” to “4” identifying purchasers of the lots and the financial details of their agreements with Ideal (in the case of Confidential Appendices “1” and “2”) and information relating to the potential net estimated realizable value of the Property (in the case of Confidential Appendices “2”, “3” and “4”) could potentially have an adverse influence on the Marketing Process. The Receiver is therefore requesting that the Court make a sealing order in respect of Confidential Appendices “1” to “4” to avoid any potential adverse impact on the Marketing Process.

X. SECURED OR PRIORITY CLAIMS

48. The following is a list of the secured claims registered against Ideal in the Personal Property Security Registration System and against the Property in the Land Registry (“PIN”) as of January 14, 2022:

Name of Registrant	Amount	PPSA	PIN
Empirical Capital Corp.	\$5,500,000	X	X
Amercan Corporation	\$1,000,000		X
Dragon Holding Global Real Estate Funds Inc.	\$2,300,000		X

49. Attached hereto as **Appendices “E”** and **“F”**, respectively, are copies of the PPSA and PIN searches.
50. The Receiver has received an opinion from Paliare that, based on the assumptions and subject to the qualifications set out therein, the Empirical Mortgage grants, by its terms, a valid first-ranking charge on the Property in favour of Empirical (the **“Legal Opinion on Security”**). A copy of the Legal Opinion on Security is attached hereto as **Appendix “G”**.
51. The Receiver will, as appropriate, seek an opinion from its counsel on the validity and enforceability of the other secured claims against the Property at a later date.
52. In addition to the above, the Receiver has obtained statements of account from the City of Mississauga which indicate that the unpaid 2020 and 2021 property taxes in respect of the Property totaled approximately \$29,000 on January 14, 2022. The Receiver will address the payment of the outstanding property taxes upon the sale of the Property.

XI. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

53. Attached as **Appendix "H"** is the Receiver's Interim Statement of Receipts and Disbursements (the "**R&D**") for the period January 11, 2022 to February 28, 2022. During this period, receipts were \$10,000, consisting of an advance of \$10,000 from Empirical secured by Receiver Certificate No. 1, and disbursements were \$3,486, resulting in a net cash balance of \$6,514.
54. The above-noted advance from Empirical, plus accrued interest thereon, will be repaid by the Receiver upon the sale of the Property.

XII. PROFESSIONAL FEES

55. The Receiver's accounts for the period ending February 28, 2022 total \$49,806.50 in fees, plus HST of \$6,474.85 for a total amount of \$56,281.35 (the "**Receiver's Accounts**"). A copy of the Receiver's Accounts, together with a summary of the accounts, the total billable hours charged per the accounts, and the average hourly rate charged per the accounts, is set out in the Affidavit of Daniel Weisz sworn March 1, 2022 attached hereto as **Appendix "I"**.
56. The account of the Receiver's counsel, Garfinkle, totals \$18,009.40 in fees and disbursements and \$2,341.23 in HST for a total of \$20,350.63 for the period ending February 22, 2022 (the "**Garfinkle Account**"). A copy of the Garfinkle Account, together with a summary of the personnel, hours and hourly rates described in the Garfinkle Account, is set out in the Affidavit of Wendy Greenspoon-Soer sworn February 28, 2022 attached to this report as **Appendix "J"**.

XIII. CONCLUSION

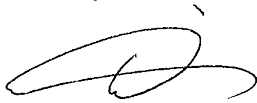
57. The Receiver respectfully requests that the Court make an order:

- (i) terminating the Buyer Agreements;
- (ii) approving the Receiver's proposed Marketing Process and authorizing the Receiver to conduct the Marketing Process;
- (iii) authorizing the Receiver to enter into the Listing Agreement with Avison Young;
- (iv) sealing Confidential Appendices "1" to "4" to the First Report;
- (v) approving the First Report and the Receiver's conduct and activities set out therein;
- (vi) approving the R&D;
- (vii) approving the fees of the Receiver for the period ending February 28, 2022; and
- (viii) approving the fees of Garfinkle for the period ending February 22, 2022.

All of which is respectfully submitted to this Court as of this 1st day of March, 2022.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of
6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
Senior Vice-President

TAB C

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)
JUSTICE KIMMEL) TUESDAY THE 22ND DAY
OF MARCH, 2022

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

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

ORDER

THIS MOTION, made by RSM Canada Limited ("**RSM**"), in its capacity as the receiver (the "**Receiver**") appointed by this Court pursuant to the Order made January 11, 2022 (the "**Appointment Order**"), without security, of the property municipally known as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") owned by Ideal (WC) Developments Inc. (the "**Debtor**"), seeking among other relief, an Order approving a marketing process, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver, dated March 1, 2022 (the “**First Report**”), and on hearing the submissions of counsel for the Receiver and such other counsel as were present as indicated on the Counsel Slip:

APPROVAL OF MARKETING PROCESS AND LISTING AGREEMENT

1. **THIS COURT ORDERS** that the retention of Avison Young Commercial Real Estate Services, LP (“**Avison Young**”) as the listing agent for the Property be and is hereby approved.
2. **THIS COURT ORDERS** that the Receiver is authorized to enter the listing agreement with Avison Young.
3. **THIS COURT ORDERS** that the marketing process for the Property (the “**Marketing Process**”), as described in the First Report, be and hereby is approved.
4. **THIS COURT ORDERS** that the Receiver is hereby authorized to commence and carry out the Marketing Process and to take such further steps as are considered necessary or desirable in carrying out the terms of the Marketing Process, subject to prior approval of this Court being obtained before completion of any transactions under the Marketing Process.
5. **THIS COURT ORDERS** that the Receiver and its respective affiliates, partners, directors, officers, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Marketing Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or wilful misconduct of the Receiver in performing its obligations under the Marketing Process as determined by this Court.

THE BUYER AGREEMENTS

6. **THIS COURT ORDERS** that the Property shall be marketed and sold free from any legal, equitable or other claims that any person had, has, or may in the future have, against the Property in connection with or arising from any agreements of purchase and sale (the “**APs**”) entered into by the Debtor including any right to compel the closing of the transactions contemplated in the APs or any of them.

APPROVAL OF RECEIVER’S FIRST REPORT AND CONDUCT

7. **THIS COURT ORDERS** that the First Report, and the conduct and activities of the Receiver, as described therein, be and are hereby approved.


8. **THIS COURT ORDERS** that the Receiver’s statement of receipts and disbursements for the period January 11, 2022 to February 28, 2022 as set out in the First Report, be and is hereby approved.

9. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period ended February 28, 2022, as set out in the First Report, be and are hereby approved.

10. **THIS COURT ORDERS** that the fees and disbursements of the Receiver’s counsel, Garfinkle Biderman LLP, for the period ended February 22, 2022 as set out in the First Report, be and are hereby approved.

GENERAL

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

 Digitally signed by Jessica Kimmel
Date: 2022.03.22 20:41:40 -04'00'

EMPIRICAL CAPITAL CORP.

-and-

IDEAL (WC) DEVELOPMENTS INC.

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(MARCH 22, 2022)**

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West
35th Floor
Toronto, ON M5V 3H1
Tel: 416.646.4300
Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646.4330
jeff.larry@paliareroland.com

Lawyers for the Receiver RSM Canada Limited

TAB D

Court File Number: CV-21-00672628-00CL

Superior Court of Justice
Estates List

FILE DIRECTION/ORDER

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

EMPIRICAL CAPITAL CORP.

Applicants

AND

IDEAL (WC) DEVELOPMENTS INC.

Respondents

Case Management Yes No by Judge: _____

Counsel	Telephone No:	Email/Facsimile No:
See counsel slip attached		

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): _____

Hearing Date: **March 22, 2022**

ENDORSEMENT OF JUSTICE KIMMEL

[1] The applicant is the first mortgagee. RSM Canada Limited ("RSM"), in its capacity as the receiver (the "Receiver") appointed by this Court pursuant to the Order made January 11, 2022 (the "Appointment Order"), without security, of the property municipally known as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "Property") owned by Ideal (WC) Developments Inc. (the "Debtor"), seeks an order approving the First Report of the Receiver dated March 1, 2022 (the "First Report") and the conduct and activities of the Receiver described therein, and approving the fees of the Receiver and its counsel.

[2] Specific relief is also sought regarding the retention of Avison Young Commercial Real Estate Services, LP ("Avison Young") as the listing agent for the Property and for the court's approval of a process for the listing and marketing of the Property for sale set forth in the First Report (the "Marketing Process").

[3] Some of the stakeholders are home buyers (the "Home Buyers") who entered into agreements to purchase homes to be built on the Property by the respondent debtor. There were initial concerns raised by some of the Home Buyers and/or their counsel regarding the relief sought on this motion. They wish to preserve their claims (including with respect to the return of deposits paid or purchase monies advanced) as against the respondent debtor and its principals and/or as against any sale proceeds from the sale of the Property. The Receiver has advised that the treatment of any sale proceeds will be subject to the court's future determination of priorities and the court's approval of any proposed distributions.

[4] The Receiver confirmed that it had not intended by this motion to interfere with or prejudice any claims made or to be made by the Home Buyers and has agreed to a slight modification to the proposed order (in paragraph 6) to placate these concerns, although the Receiver did not consider the originally proposed language to have prejudiced these claims. On this basis, there were no objections raised to the proposed order sought by the Receiver at the return of this motion.

[5] While recognizing that it is in the interests of all stakeholders for the Property to be marketed and sold, the Home Buyers do have concerns about future distributions and the validity and enforceability of the second and third mortgages (that the Receiver has assured them they will have the opportunity to address on a future motion) and also have concerns about the manner in which the respondent debtor has handled their deposit monies. The latter concern may be beyond the current scope of this receivership. The court has encouraged the Home Buyers and their counsel to confer amongst themselves, and with counsel for the Receiver, if they are considering options for expanding the scope of investigation into the handling of their deposits or other issues involving their dealings and transactions with the respondent debtor.

[6] The respondent debtor does not oppose the relief sought by the Receiver on this motion. The debtor maintains that it has responded to appropriate requests of the Receiver to date regarding the deposits, which response has been to confirm that none of the Home Buyer's deposits are currently held. The respondent debtor's position is that the more recent requests regarding the disposition and use of the deposits prior to the appointment of the Receiver go beyond the scope of the current Appointment Order. That too is an issue for another day.

[7] The court has received and reviewed the First Report and the affidavits confirming the fees of the Receiver and its counsel and they all appear to be appropriate and are approved.

[8] The Receiver's counsel provided the court, in accordance with the current commercial list practice direction, with four confidential appendices to the Receiver's First Report that are proposed to be sealed under a partial sealing order (the "Proposed Sealing Order"). With the exception of the first confidential Appendix (a standard form of Home Buyer's agreement of purchase and sale and attached Tarion Addendum and Schedules with the purchaser names and purchase prices redacted), the court is satisfied that the proposed sealing of the other three confidential Appendices is necessary to avoid any interference with attempts to market and sell the Property, and any prejudice that might be caused by publicly disclosing confidential and commercially-sensitive information while the Marketing Process is ongoing and pending the completion of any sale of the Property. These salutary effects outweigh any deleterious effects, including the possible negative effects on the right to free expression and the public interest in open and accessible court proceedings.

[9] The proposed sealing is as narrow as possible (only those confidential appendices that pose a risk are being sealed) while still achieving the legitimate requirement of protecting the Marketing Process and a potential future sales process, in the interests of all stakeholders. Accordingly, it appropriately balances the open court principle and legitimate commercial requirements for confidentiality. I am satisfied that the proposed Partial Sealing Order is appropriate under the *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC requirements. The nature and scope of the Proposed Sealing Order is consistent with the court's practice of granting limited sealing orders in conjunction with the marketing and sale of properties in receivership proceedings.

[10] Order to go in the form signed by me today, with immediate effect and without the necessity of formal entry.

[11] The Receiver's counsel shall submit to the court, together with a copy of this endorsement and the signed order, a sealed envelope containing the three sealed confidential Appendices and request that the sealed envelope be filed, so as to give effect to the Partial Sealing Order contained in paragraphs 8 and 9 of this endorsement.

A handwritten signature in black ink, appearing to read "Kimmel J.", is positioned in the lower right quadrant of the page. The signature is written in a cursive, flowing style.

TAB E

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

**SECOND REPORT OF THE RECEIVER OF
6532 & 6544 WINSTON CHURCHILL BOULEVARD, MISSISSAUGA, ONTARIO**

JUNE 9, 2022

Table of Contents

I.	INTRODUCTION	1
II.	PURPOSE OF REPORT	3
III.	BACKGROUND	6
IV.	DEPOSITS PAID TO IDEAL	6
V.	MARKETING OF THE PROPERTY	7
VI.	SUMMARY OF OFFERS RECEIVED.....	9
VII.	THE APS	10
VIII.	APPROVAL OF THE SALE	11
IX.	SECURED OR PRIORITY CLAIMS.....	13
X.	PROPOSED DISTRIBUTION.....	14
XI.	RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS	15
XII.	PROFESSIONAL FEES.....	16
XIII.	CONCLUSION.....	16

Appendices

Appointment Order A
First Report, without appendices B
Marketing Process Order C
March 22 Endorsement D
Brochure, the Globe Advertisement and the MLS Listing E
Property Tax Certificates F
Empirical Statement G
Interim Statement of Receipts and Disbursements H
Affidavit of Daniel Weisz I
Affidavit of Wendy Greenspoon-Soer J
Affidavit of Megan Bradt K

Confidential Appendix

Sale of 6532 & 6544 Winston Churchill Boulevard

	<u>Tab</u>
Avison Progress Report.....	1
Summary of Offers prepared by Avison Young	2
Receiver’s analysis of net cash proceeds available from offers received	3
APS	4

I. INTRODUCTION

1. Pursuant to an application made by Empirical Capital Corp. (“**Empirical**”), by Order of the Ontario Superior Court of Justice (the “**Court**”) dated January 11, 2022 (the “**Appointment Order**”), RSM Canada Limited (the “**Receiver**”) was appointed as receiver over the lands and premises known municipally as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the “**Property**”) owned by Ideal (WC) Developments Inc. (“**Ideal**” or the “**Debtor**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The Appointment Order authorizes the Receiver to, among other things:
 - a) 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; and
 - b) sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, with the approval of the Court.
3. On March 2, 2022, the Receiver filed a motion record, returnable on March 22, 2022 (the “**March 22 Hearing Date**”) in support of its motion for, *inter alia*, an order:
 - a) terminating the agreements of purchase and sale entered into by Ideal with 15 home buyers (the “**Home Buyers**”) prior to the receivership (the “**Buyer Agreements**”);
 - b) approving the Receiver’s proposed marketing process (the “**Marketing Process**”) described in the Receiver’s first report to the Court (the “**First**”).

Report") and authorizing the Receiver to conduct the Marketing Process;
and

- c) authorizing the Receiver to enter into a listing agreement with Avison Young Commercial Real Estate Services, LP ("**Avison Young**").

A copy of the First Report, without appendices, is attached hereto as **Appendix "B"**.

- 4. Prior to the March 22 Hearing Date, some of the Home Buyers and/or their counsel expressed concerns regarding the form of Order sought by the Receiver and, in particular, whether the termination of the Buyer Agreements would impact their ability to pursue their claims against the Debtor and its principals and/or the proceeds from the sale of the Property. Following consideration of the position of the Home Buyers, the Receiver agreed not to seek expressly the termination of the Buyer Agreements.
- 5. On March 22, 2022, the Honourable Justice Kimmel issued an order (the "**Marketing Process Order**"), in which, *inter alia*, the Court:
 - a) authorized the Receiver to retain Avison Young as the listing agent for the Property;
 - b) approved the Marketing Process; and
 - c) ordered that the Property be marketed and sold free from any legal, equitable or other claims that any person had, has, or may in the future have, against the Property in connection with or arising from any agreements of purchase and sale (the "**Agreements**") entered into by the

Debtor including any right to compel the closing of the transactions contemplated in the Agreements or any of them.

Copies of the Marketing Process Order and the related Endorsement of Justice Kimmel (the “**March 22 Endorsement**”) are attached as **Appendix “C”** and **Appendix “D”**, respectively, to this report.

6. The Appointment Order, the First Report, the Marketing Process Order, the March 22 Endorsement and other court documents have been posted on the Receiver’s website, which can be found at rsmcanada.com/6532-and-6544-winston-churchill.
7. As provided for in Paragraph 26 of the Appointment Order, the Receiver retained the firm of Garfinkle Biderman LLP (“**Garfinkle**”), Empirical’s counsel, to act as the Receiver’s legal counsel where there is no conflict of interest and to effect and complete the sale of the Property.
8. The Receiver has retained the firm of Paliare Roland Rosenberg Rothstein LLP (“**Paliare**”) to act as the Receiver’s independent legal counsel where Garfinkle has, or may be considered to have, a conflict of interest.

II. PURPOSE OF REPORT

9. The purpose of this second report to the Court (the “**Second Report**”) is to:
 - (a) report to the Court on the activities of the Receiver from the date of the First Report to June 8, 2022;
 - (b) provide the Court with information on the marketing of the Property and the results of the Marketing Process conducted by the Receiver;

- (c) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period January 11, 2022 to June 8, 2022 (the "**R&D**");
and
- (d) seek an order:
 - i. authorizing and directing the Receiver to enter into and carry out the terms of the transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and Dragon Holding Global Real Estate Funds Inc. ("**Dragon**" or the "**Purchaser**") dated May 26, 2022 and executed by the Receiver on May 30, 2022 (the "**APS**"), together with any further minor amendments thereto deemed necessary by the Receiver in its sole opinion;
 - ii. approving the sale of the Property in accordance with the terms of the APS and vesting in Dragon or as the Purchaser may further direct in writing, all right, title and interest of the Debtor in and to the Property, free from any legal, equitable or other claims that any person had, has, or may in the future have, against the Property in connection with or arising from the Buyer Agreements, including any right to compel the closing of the transactions contemplated in the Buyer Agreements or any of them (the "**Buyer Agreement Claims**"), and free and clear of the encumbrances, estates, rights, title, liens, interest and claims set out in the APS (other than permitted encumbrances), upon closing of the Transaction and the delivery of a Receiver's certificate to the Purchaser;

- iii. sealing Confidential Appendix “1” to the Second Report and Tabs 1 to 4 contained therein;
- iv. authorizing the Receiver to make the Post-Closing Payments and the Empirical Distribution (both as defined herein);
- v. approving the Second Report and the Receiver’s conduct and activities set out therein;
- vi. approving the R&D;
- vii. approving the fees of the Receiver for the period March 1, 2022 to May 31, 2022;
- viii. approving the fees of Garfinkle for the period February 7, 2022 to May 31, 2022; and
- ix. approving the fees of Paliare for the period February 2, 2022 to May 22, 2022.

Terms of Reference

10. In preparing this report and making the comments herein, the Receiver has relied upon certain information from third-party sources (collectively, the “**Information**”). The Receiver has, 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 Generally Accepted Assurance Standards pursuant to the CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

11. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.

III. BACKGROUND

12. The Property consists of approximately 1.47 acres of vacant land located at 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario. The Respondent Ideal is a single purpose company incorporated in Ontario for a planned residential real estate development on the Property and is the registered owner of the Property.
13. Empirical holds a first mortgage (the “**Empirical Mortgage**”) in the principal amount of \$5,500,000 against the Property. Amercan Corporation (“Amercan”) and Dragon registered second and third mortgages on the Property in the amounts of \$1.4 million (as amended) and \$2.3 million, respectively.
14. Empirical’s loan was originally due on March 2, 2020, however Empirical and the Debtor entered into a number of forbearance agreements. The Debtor failed to repay the amounts outstanding under the loan at the end of the forbearance term.
15. Accordingly, Empirical sought the appointment of the Receiver pursuant to a Notice of Application dated November 25, 2021.
16. On January 11, 2022, the Court issued the Appointment Order.

IV. DEPOSITS PAID TO IDEAL

17. In the First Report, the Receiver reported that it had requested from Ideal details of payments or deposits received from the Home Buyers, as well as an accounting setting out the status and disposition of the deposits received. No further

information has been provided to the Receiver by Ideal as to its disposition of the deposits received.

18. In the March 22 Endorsement, Justice Kimmel acknowledged that the Home Buyers have concerns about the manner in which the Debtor has handled their deposit monies, but stated that such concern may be beyond the current scope of the receivership. Her Honour also encouraged the Home Buyers and their counsel to confer amongst themselves, and with the Receiver's counsel, to consider whether they wish to expand the scope of investigation into the handling of their deposits or other issues involving their dealings and transactions with the Debtor.
19. As of the date of this report, no requests have been made of the Receiver to expand the terms of the Appointment Order.

V. MARKETING OF THE PROPERTY

Stalking Horse Offer

20. On March 18, 2022, four days prior to the March 22 Hearing Date, the Receiver was provided by Gowlings LLP ("**Gowlings**") with a stalking horse offer from Gowlings' client, 2011836 Ontario Corporation (the "**Stalking Horse Offer**").
21. The Receiver reviewed the terms of the Stalking Horse Offer with its counsel and, on March 20, 2022, with the concurrence of Empirical, informed Gowlings that the Receiver did not intend to pursue the Stalking Horse Offer. The Receiver encouraged Gowlings' client to make an offer through the Marketing Process.

The Receiver's Marketing Process

22. As set out above, the Marketing Process Order was made on March 22, 2022.

23. The marketing of the Property commenced on March 29, 2022 through an e-blast sent by Avison Young. Interested parties were informed that the deadline for submitting offers for the Property was 5:00 p.m. EST on May 12, 2022 (the “**Offer Deadline**”).
24. The Receiver provided Avison Young with a baseline Agreement of Purchase and Sale (the “**Baseline APS**”) for inclusion in the data room established by Avison Young. The Receiver requested that all offers for the Property be made on the form of the Baseline APS, with any changes marked thereon.
25. Further steps taken by Avison Young in connection with the marketing of the Property included the following:
 - a) on March 29, April 12, April 29, and May 9, 2022, emails giving notice of the acquisition opportunity were sent to 4,064, 4,035, 4,021, and 4,043 parties, respectively;
 - b) a brochure (the “**Brochure**”) was prepared and provided to interested parties who clicked on the link in the email;
 - c) on April 21 and 26, 2022, an advertisement of the acquisition opportunity was published in the Globe and Mail newspaper (the “**Globe Advertisement**”);
 - d) on April 8, 2022, a listing for the Property was posted on the MLS system (the “**MLS Listing**”);
 - e) a “For Sale” banner was installed at the Property;
 - f) a notification of the Property being offered for sale was included in the April 11, April 18, April 25, May 2 and May 9, 2022 editions of Insolvency Insider

(a digital publication) and included the bid date and links to contact the listing agents;

- g) the listing agents posted notification of the offering on their respective LinkedIn profiles;
 - h) the Property was advertised on the Avison Young website; and
 - i) an online data room was set up by Avison Young. Parties that signed a confidentiality agreement (“**CA**”) were given access to the data room which contained additional information on the Property.
26. Copies of the Brochure, the Globe Advertisement and the MLS Listing are attached collectively to this report as **Appendix “E”**.
27. Additional details of the marketing activities undertaken and parties that responded are contained in the Avison Progress Report attached at **Tab 1 of Confidential Appendix “1”**.

VI. SUMMARY OF OFFERS RECEIVED

28. As of the Offer Deadline, two offers were submitted to Avison Young for the Property and a third offer was received on May 13, 2022. A schedule prepared by Avison Young summarizing the offers received is attached at **Tab 2 of Confidential Appendix “1”**.
29. Details of the Receiver’s activities in responding to the offers received are set out in **Confidential Appendix “1”**.

VII. THE APS

30. The APS conforms substantially with the Baseline APS. Salient terms of the APS are set out below (all capitalized terms in this section not defined in the APS are as otherwise defined in the Second Report).
31. The purchase price (the “**Purchase Price**”) consists of:
- a) a Cash Amount which is defined in the APS to be an amount equal to the sum of:
 - i.) the amount owing to Empirical secured by its mortgage against the Property;
 - ii.) priority government claims including accrued property taxes;
 - iii.) real estate commissions due on the sale of the Property;
 - iv.) amounts advanced pursuant to the Receiver’s Borrowing Charge referenced in the Appointment Order; and
 - v.) the past, present and future fees and disbursements of the Receiver and its legal counsel to conduct and complete the administration of the receivership, and such other amounts as may be payable in connection with the receivership;
 - b) assumption of the debt due and owing by Ideal to Amercan secured by its mortgage against the Property; and
 - c) the balance of the purchase price to be paid by way of an assumption of a portion of the debt due and owing by Ideal to Dragon secured by its mortgage against the Property.
32. Other salient terms of the APS include:

- a) a cash deposit of \$700,000, which has been received by the Receiver;
 - b) completion of the transaction contemplated by the APS is conditional on court approval and the issuance of an order vesting title to the Property in the Purchaser or its assignee free and clear of claims and encumbrances, including the Buyer Agreement Claims, other than those specifically itemized in the APS;
 - c) the Purchaser is buying the Property on an “*as is, where is*” basis; and
 - d) closing of the sale provided for in the APS is scheduled to occur on the tenth Business Day following the date on which the Vesting Order is granted, or such other date as agreed between the Purchaser and the Receiver.
33. Copies of the Receiver’s analysis of net cash proceeds available from offers received and the executed APS are attached to this report at **Tab 3** and **Tab 4** of **Confidential Appendix “1”**, respectively.

VIII. APPROVAL OF THE SALE

34. The Receiver believes that the marketing process conducted was appropriate for the type of property in question and that the marketing process provided sufficient market exposure to the Property. Specifically, the Property was exposed to the market since March 29, 2022, notice of the sale of the Property was sent to more than 4,000 parties, the Property was listed for sale on MLS and was advertised in the Globe and Mail newspaper.
35. As a result of the marketing efforts undertaken:
- o CA’s were signed in respect of 28 potential purchasers; and

- three offers to purchase the Property were received from prospective purchasers.
36. The Receiver is of the view that sufficient efforts were made to obtain the best price for the Property and the marketing process was conducted fairly. The Receiver regards the APS as the offer received for the Property which is the most advantageous to the creditors of the Property. The Receiver therefore recommends that this Court approve the APS and grant an Order vesting title in the purchased assets in the Purchaser or its assignee upon the closing of the Transaction.
37. The Receiver points out that while a portion of the Purchase Price consists of the assumption of Ideal's obligation to Amercan and a portion of Ideal's obligation to Dragon, the Cash Amount provided for in the APS is greater than the purchase prices contemplated in each of the other offers received. As a result, in considering Dragon's offer, the Receiver was not required to determine the validity of the mortgages held by Amercan and Dragon against the Property (and the Receiver has not done so).
38. The Receiver believes that details of the offers submitted for the Property including matters relating thereto should be kept confidential until the closing of the Transaction. The Receiver is of the view that public disclosure of the offers would have a negative impact on the future marketing of the Property, should the Transaction with the Purchaser not be approved or completed.

39. The Receiver therefore respectfully requests that Confidential Appendix “1” and Tabs 1 to 4 contained therein be sealed until after the closing of the sale of the Property.

IX. SECURED OR PRIORITY CLAIMS

40. The Receiver has obtained Tax Certificates dated June 2, 2022 from the City of Mississauga (“**Property Tax Certificates**”) which indicate that the unpaid property taxes for the two properties are \$647.16 and \$50,919.59 for a total of \$51,566.75 (the “**Outstanding Property Taxes**”). Copies of the Property Tax Certificates are attached to this report at **Appendix “F”**.

41. The Receiver received from Empirical a Mortgage Payout Statement current to July 11, 2022, being the anticipated closing date of the sale of the Property if the Approval and Vesting Order being applied for herein is made on June 24, 2022 (the “**Empirical Statement**”). According to the Empirical Statement, the amount owing by the Debtor to Empirical and required to discharge the first mortgage will be, as of July 11, 2022, \$6,547,575.76, inclusive of (i) principal, interest and fees, and (ii) the \$20,000 advance for which Receiver Certificates No. 1 and 2 were issued (collectively, the “**Empirical Advances**”). Empirical has informed the Receiver that per diem interest on the Empirical Advances following July 11, 2022 is \$2,152.63. A copy of the Empirical Statement is attached to this report at **Appendix “G”**.

42. As set out in the First Report, the Receiver received an opinion from Paliare that, based on the assumptions and subject to the qualifications set out therein, the Empirical Mortgage grants, by its terms, a valid first-ranking charge on the Property

in favour of Empirical (the “**Legal Opinion on Security**”). A copy of the Legal Opinion on Security was attached as Appendix “G” to the First Report.

43. As set out above, charges against the Property were also registered by Amercan and by Dragon.
44. In anticipation of the possible receipt of a credit bid for the Property, the Receiver requested from Amercan and Dragon documentation in respect of the second and third mortgages. While the Receiver commenced its review of that documentation, in light of the offers received for the Property, and since there will not be any funds available from the sale of the Property for creditors other than Empirical, the Receiver has ceased its efforts to assess the validity of the second and third mortgages.
45. No liens have been registered by any governmental authority against title to the Property. Canada Revenue Agency has informed the Receiver that it does not claim any “deemed trust” amounts against the proceeds from the sale of the Property.

X. PROPOSED DISTRIBUTION

46. Concurrent with or following the closing of the sale of the Property, the Receiver proposes to make the following payments (the “**Post-Closing Payments**”):
 - a) the Outstanding Property Taxes;
 - b) the commission payable to Avison Young in respect of the sale of the Property; and

c) the amount of \$200,008.00, being the total of amounts owing to the Receiver, Garfinkle and Paliare on account of their respective unpaid accounts described in the First Report and the Second Report.

47. Interest continues to accrue on the outstanding balance of the Empirical Mortgage.

Therefore, the Receiver is of the view that it is in the interests of all parties that the amounts owing to Empirical be paid to Empirical in order to prevent the accrual of further interest. Accordingly, following closing of the sale of the Property, the Receiver proposes to pay the Empirical Advances plus any further amounts that may be owing to Empirical in the event that the closing of the sale occurs after July 11, 2022 (the “**Empirical Distribution**”).

48. The Receiver therefore recommends and requests that this Court authorize and direct the Receiver to pay the Post-Closing Payments and the Empirical Distribution.

XI. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

49. Attached as **Appendix “H”** is the Receiver’s Interim Statement of Receipts and Disbursements (the “**R&D**”) for the period January 11, 2022 to June 8, 2022. During this period, receipts were \$20,000, consisting of advances totalling \$20,000 from Empirical secured by Receiver Certificates No. 1 and 2, and disbursements were \$8,941, resulting in a net cash balance of \$11,059.

50. As set out above, the Receiver proposes to repay to Empirical the above-noted advances from Empirical, plus any accrued interest thereon charged by Empirical, following the closing of the sale of the Property.

XII. PROFESSIONAL FEES

51. The Receiver's accounts for the period March 1, 2022 to May 31, 2022 total \$59,269.00 in fees, plus HST of \$7,704.98 for a total amount of \$66,973.98 (the "**Receiver's Accounts**"). A copy of the Receiver's Accounts, together with a summary of the accounts, the total billable hours charged per the accounts, and the average hourly rate charged per the accounts, is set out in the Affidavit of Daniel Weisz sworn June 7, 2022 attached hereto as **Appendix "I"**.
52. The accounts of the Receiver's counsel, Garfinkle, total \$18,669.72 in fees and disbursements and \$2,417.00 in HST for a total of \$21,086.72 for the period February 7, 2022 to May 31, 2022 (the "**Garfinkle Account**"). A copy of the Garfinkle Account, together with a summary of the personnel, hours and hourly rates described in the Garfinkle Account, is set out in the Affidavit of Wendy Greenspoon-Soer sworn June 8, 2022 attached to this report as **Appendix "J"**.
53. The account of the Receiver's independent legal counsel, Paliare, totals \$31,324.52 in fees and disbursements and \$3,990.80 in HST for a total of \$35,315.32 for the period February 2, 2022 to May 22, 2022 (the "**Paliare Account**"). A copy of the Paliare Account, together with a summary of the personnel, hours and hourly rates described in the Paliare Account, is set out in the Affidavit of Megan Bradt sworn June 9, 2022 attached to this report as **Appendix "K"**.

XIII. CONCLUSION

54. The Receiver respectfully requests that the Court make an order:


- (i) authorizing and directing the Receiver to enter into and carry out the Transaction contemplated by the APS, together with any further minor amendments thereto deemed necessary by the Receiver in its sole opinion;
- (ii) approving the sale of the Property in accordance with the terms of the APS and vesting in Dragon or as the Purchaser may further direct in writing, all right, title and interest of the Debtor in and to the Property, free from any legal, equitable or other claims that any person had, has, or may in the future have, against the Property in connection with or arising from the Buyer Agreements, including any right to compel the closing of the transactions contemplated in the Buyer Agreements or any of them, and free and clear of the encumbrances, estates, rights, title, liens, interest and claims set out in the APS (other than permitted encumbrances), upon closing of the Transaction and the delivery of a Receiver's certificate to the Purchaser;
- (iii) sealing Confidential Appendix "1" to the Second Report and Tabs 1 to 4 contained therein;
- (iv) authorizing the Receiver to make the Post-Closing Payments;
- (v) authorizing the Receiver to make the Empirical Distribution;
- (vi) approving the Second Report and the Receiver's conduct and activities set out therein;
- (vii) approving the R&D;

- (viii) approving the fees of the Receiver for the period March 1, 2022 to May 31, 2022;
- (ix) approving the fees of Garfinkle for the period February 7, 2022 to May 31, 2022; and
- (x) approving the fees of Paliare for the period February 2, 2022 to May 22, 2022.

All of which is respectfully submitted to this Court as of this 9th day of June, 2022.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of
6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
Senior Vice-President

TAB F

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

**SUPPLEMENTAL REPORT TO THE SECOND REPORT OF THE RECEIVER OF
6532 & 6544 WINSTON CHURCHILL BOULEVARD, MISSISSAUGA, ONTARIO**

JUNE 22, 2022

Table of Contents

I.	INTRODUCTION	1
II.	THE AGREEMENT OF PURCHASE AND SALE	2
III.	THE EMPIRICAL DISTRIBUTION	2
IV.	OPPOSITION OF SYED MUHAMMAD FARUQI HASAN	3
V.	RECEIVER'S REQUESTS OF THE COURT	7

Appendix

Assignment Agreement	A
Approval and Vesting Order (revised)	B
Amended Empirical Statement	C
April 13 Email	D

I. INTRODUCTION

1. RSM Canada Limited (the “**Receiver**”), in its capacity as receiver over the lands and premises known municipally as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the “**Property**”), filed its Second Report to the Court dated June 9, 2022 (the “**Second Report**”) in connection with a motion by the Receiver seeking, *inter alia*, an order approving the sale of the Property.
2. The purpose of this Supplemental Report to the Second Report (the “**Supplemental Second Report**”) is to:
 - i) inform the Court of the assignment of the APS to 1000199992 Ontario Corp.;
 - ii) provide the Court with the revised form of Approval and Vesting Order being sought by the Receiver as a result of the assignment of the APS;
 - iii) amend the definition of Empirical Advances that is set out in the Second Report;
 - iv) provide information to the Court with respect to the Hasan Affidavit (as defined later herein); and
 - v) seek an order approving the Supplemental Second Report and the Receiver’s conduct and activities set out therein.
3. This Supplemental Second Report should be read in conjunction with the Second Report, including the Terms of Reference contained therein.
4. Unless otherwise defined, defined terms in the Supplemental Second Report have the same definition as set out in the Second Report.

II. THE AGREEMENT OF PURCHASE AND SALE

5. Pursuant to the terms of Paragraph 44 of the APS, the Purchaser has the right to assign its rights to acquire the Property to any company or companies provided by the Purchaser provided that such assignment does not release the Purchaser from its obligations under the APS.
6. The Purchaser has informed the Receiver that it wishes to assign the APS to 1000199992 Ontario Corp. and, by Purchaser's Assignment of Agreement of Purchase and Sale made as of June 20, 2022 (the "**Assignment Agreement**"), the APS was assigned to 1000199992 Ontario Corp. A copy of the Assignment Agreement is attached as **Appendix "A"** to this Supplemental Second Report.
7. The form of Approval and Vesting Order being sought by the Receiver has accordingly been amended to reflect the party to which the APS has been assigned, and is attached as **Appendix "B"** to this Supplemental Second Report.
8. Following the issuance of the Second Report, certain of the Home Buyers requested to see Confidential Appendix 1 to the Second Report. After receipt of signed confidentiality agreements from those Home Buyers, the Receiver provided them with Confidential Appendix 1.

III. THE EMPIRICAL DISTRIBUTION

9. The Second Report set out that following closing of the sale of the Property, the Receiver proposed to pay the Empirical Advances plus any further amounts that may be owing to Empirical in the event that the closing of the sale occurs after July 11, 2022 (the "**Empirical Distribution**").

10. Included in the Second Report at Appendix “G” was the Empirical Statement which projected that the indebtedness owing to Empirical as at July 11, 2022, the anticipated closing date of the Transaction if the Approval and Vesting Order is issued on July 11, 2022, would be \$6,547,575.76 , inclusive of (i) principal, interest and fees, and (ii) the \$20,000 advance for which Receiver Certificates No. 1 and 2 were issued (collectively, the “**Empirical Advances**”).
11. The Receiver was recently informed that the Empirical Statement did not include certain of Empirical’s costs. Empirical has provided the Receiver with an updated discharge statement as at July 11, 2022 (the “**Amended Empirical Statement**”) which is attached as **Appendix “C”** to this Supplemental Second Report. As set out on the Amended Empirical Statement, the indebtedness owing to Empirical as at July 11, 2022, would be \$6,560,254.37 subject to further legal fees and disbursements and other charges that are incurred up to the date of discharge of the Empirical Mortgage.
12. The Receiver therefore is seeking approval to pay to Empirical, following the closing of the sale of the Property, the amount owing as set out on the Amended Empirical Statement, plus other amounts which may be due and owing to Empirical on the date that the Receiver repays Ideal’s indebtedness to Empirical in respect of Empirical’s mortgage against the Property (collectively the “**Amended Empirical Distribution**”).

IV. OPPOSITION OF SYED MUHAMMAD FARUQI HASAN

13. In the afternoon of June 21, 2022, the Receiver received from Mr. Ali Sheikh, counsel to Syed Muhammad Faruqi Hasan, Mr. Hasan’s affidavit in which Mr.

Hasan sets out, *inter alia*, his opposition to the Receiver's application to the court to approve the Transaction (the "**Hasan Affidavit**").

14. The Hasan Affidavit contains a number of comments critical of the Receiver's activities in conducting the sales process, indicates that Mr. Hasan is prepared to make an offer of \$6,810,000 for the Property and expresses his dissatisfaction that the Receiver has not taken any steps to look into the manner in which the Debtor conducted its business or trace the funds collected by Ideal.
15. While the Receiver does not intend at this time to respond to each of the matters raised in the Hasan Affidavit, the Receiver wishes to comment on certain matters in the Hasan Affidavit, as follows:
 - a) Mr. Hasan's Statement of Claim against Ideal or its principal was not stayed by the Appointment Order, rather, the stay only applied to Mr. Hasan's claim as against the Property or proceeds therefrom;
 - b) prior to engaging Mr. Sheikh to be his counsel, Mr. Hasan was represented by Loopstra Nixon. Loopstra Nixon was present at the Court application in which the Receiver sought approval of the marketing process;
 - c) On March 23, 2022, the Receiver wrote to the Service List and requested if the parties on the Service List were "aware of any parties who are interested in purchasing the property, kindly ask them to contact either or both of Kelly Avison and Ben Sykes of Avison Young who are copied on this email.";
 - d) on April 13, 2022, Loopstra Nixon contacted Paliare and advised that its client may be interested in purchasing the Property. In response, Paliare provided Loopstra Nixon with the email blast containing information about

the Property and the sales process, including the applicable bid deadline (the “**April 13 Email**”). A copy of the April 13 Email is attached as **Appendix “D”** to this Supplemental Second Report. The Receiver has been advised by Avison Young that Avison Young sent the Confidentiality Agreement to Loopstra Nixon on April 14, 2022, and sent the Brochure and Confidentiality Agreement to Loopstra Nixon on April 18, 2022. Avison Young further advised the Receiver that it received no other communication from Loopstra Nixon, and has no record of Loopstra Nixon’s client contacting Avison Young;

- e) Mr. Hasan states that Mr. Sheikh reached out to the Receiver to make an offer was but was denied that request, however, the Hasan Affidavit does not indicate the date on which Mr. Sheikh contacted the Receiver’s counsel. The Receiver notes that Paliare was contacted by Mr. Sheikh shortly after the motion materials were served on June 14, 2022, which is well after the date that the APS was signed by the Receiver (and over one month after the bid deadline);
- f) notwithstanding that the Receiver does not recommend considering the offer suggested in the Hasan Affidavit, the Receiver observes that the suggested offered purchase price of \$6,810,000 does not exceed the Cash Amount calculated by the Receiver pursuant to the APS and does not provide a superior result for stakeholders to the one contemplated by the APS;

- g) the Receiver conducted the sale process in an open and transparent manner as detailed in the Second Report. While the Receiver is sympathetic to the situation faced by the Home Buyers as a result of their dealings with Ideal, the Receiver is of the view that providing the disclosure suggested in the Hasan Affidavit to the Home Buyers, who are unsecured creditors, is not the practice or duty of court-appointed receivers;
 - h) that said, as set out above, the Receiver did provide Confidential Appendix 1 to certain Home Buyers who executed a confidentiality agreement;
 - i) the March 2020 appraisal contained in the Hasan Affidavit is not instructive as to the current market value of the Property. The results of the sale process conducted by the Receiver are indicative of the current market value of the Property; and
 - j) as discussed in the Second Report, and further to the Endorsement of Justice Kimmel made on March 22, 2022, no Home Buyer approached the Receiver to discuss the expansion of the Receiver's mandate to conduct the review suggested in the Hasan Affidavit including the assumption of the responsibility for funding the potential cost of such mandate expansion.
16. The Receiver will provide such additional information that the Court may request in connection with the above-noted matters.
17. After reviewing the Hasan Affidavit and considering the points above, the Receiver maintains its recommendation that the Court approve the APS and the Receiver's completion of the Transaction contemplated therein.

V. RECEIVER'S REQUESTS OF THE COURT

18. In addition to the relief set out in the Second Report, the Receiver respectfully requests that the Court make an order(s):
- i) authorizing and directing the Receiver to pay the Amended Empirical Distribution; and
 - ii) approving the Supplemental Second Report and the Receiver's conduct and activities set out therein.

All of which is respectfully submitted to this Court as of this 22nd day of June, 2022.

RSM CANADA LIMITED

In its capacity as Court-appointed Receiver of
6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario
and not in its personal capacity



Per: Daniel Weisz, CPA, CA, CFF, CIRP, LIT
Senior Vice-President

TAB G

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

THE HONOURABLE)
JUSTICE CONWAY)
)
)
)
)
)

-TUESDAY- THE 24TH DAY
OF JUNE, 2022

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by **RSM CANADA LIMITED** in its capacity as the receiver (the "**Receiver**"), without security, of the property municipally known as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") owned by Ideal (WC) Developments Inc. (the "**Debtor**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver and Dragon Holding Global Real Estate Funds Inc. dated May 26, 2022 and assigned to 1000199992 Ontario Corp. (the "**Purchaser**") on June 20, 2022 (the "**APS**") and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the APS (the "**Purchased Assets**"), was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

and all other evidence filed with the court
ON READING the Second Report of the Receiver dated June 9, 2022 and on hearing the submissions of counsel for the Receiver, ~~no one appearing for any other person on the service list,~~ and other counsel in attendance at the hearing;

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved.
2. **THIS COURT ORDERS AND DECLARES** that the execution of the APS by the Receiver is authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the APS and listed on Schedule "B" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Dietrich dated January 11, 2022; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (iii) any legal, equitable or other claims that any person had, has, or may in the future have, against the Property in connection with or arising from any agreements of purchase and sale ("**Buyer Agreements**") entered into by the Debtor including any right to compel the closing of the transactions contemplated in the Buyer Agreements or any of them, and (iv) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" hereto) and,

for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for Peel (No. 43) of an Application for Vesting Order in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule “B” hereto (the “**Real Property**”) in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule “C” hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

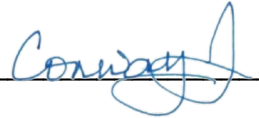
7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and

shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

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



Schedule A – Form of Receiver’s Certificate

Court File No.: CV-21-00672628-00CL

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

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

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Dietrich of the Ontario Superior Court of Justice (the "**Court**") dated January 11, 2022, RSM Canada Limited was appointed as the receiver (the "**Receiver**") of the lands and premises municipally known as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") owned by Ideal (WC) Developments Inc. (the "**Debtor**"), including all proceeds thereof.

B. Pursuant to an Order of the Court dated June 24, 2022 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale between the Receiver and Dragon Holding Global Real Estate Funds Inc. dated May 26, 2022 (the "**APS**") and assigned to the 1000199992 Ontario Corp. (the "**Purchaser**") on June 20, 2022 and provided for the vesting in the Purchaser all of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the

delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets in accordance with the APS; (ii) that the conditions of Closing as set out in the APS have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APS or the Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the APS;
2. The conditions to Closing as set out in the APS have been satisfied or waived by the Receiver and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at **[TIME]** on ► **[DATE]**.

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver of the Property and
not in its personal or corporate capacity**

Per: _____
Name
Title

Schedule B – Purchased Assets

All of the Receiver's and Ideal (WC) Developments Inc.'s right, title and interest in and to the Property (as defined in the APS) including, without limitation, the following real property:

Municipal Address: 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario

Legal Description:

Firstly: PART LOT 9 CONCESSION 11 (NEW SURVEY) TRAFALGAR, DESIGNATED AS PART 1, PLAN 43R37427; CITY OF MISSISSAUGA

Secondly:

PCL BLOCK 19-1, SEC 43M932; BLK 19, PL 43M932; CITY OF MISSISSAUGA

PIN:

Firstly: 13243 – 0378 (LT)

Secondly: 13243 – 0269 (LT)

Registry Office: Land Titles Division of Peel (No. 43)

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

The following Instruments are to be discharged upon registration of the Vesting Order:

1. Instrument No. PR3308660 being a Charge registered April 11, 2018, from Ideal (WC) Developments Inc. in favour of Empirical Capital Corp. securing the principal sum of \$5,500,000.00.
2. Instrument No. PR3308661 being a Notice of Assignment of Rents-General registered April 11, 2018 from Ideal (WC) Developments Inc. in favour of Empirical Capital Corp. related to the Charge registered as Instrument No. PR3308660.
3. Instrument No. PR3308694 being Postponement of Interest registered April 11, 2018, from American Corporation to Empirical Capital Corp.
4. Instrument No. PR3937041 being a Caution-Land registered October 29, 2021, from Ideal (WC) Developments Inc. to Syed Muhammed Faruqi Hasan.
5. Instrument No. PR3976090 being an Application to Register Court Order registered January 12, 2022, from Ontario Superior Court of Justice to RSM Canada Limited

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

(unaffected by the Vesting Order)

Permitted Encumbrances with respect to the Property (as defined in the Sale Agreement) means:

1. The specific encumbrances (excluding any mortgages or charges), exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel registers for the Property.
2. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown.
3. Any registered or unregistered easements, servitudes, rights-of-way, licences, restrictions that run with the land and other encumbrances and/or agreements with respect thereto (including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables).
4. Inchoate liens for taxes, assessments, public utility charges, governmental charges or levies not at the time due or liens for same which are due but the validity of which are being contested in good faith by the Vendor provided that the Vendor has provided security which in the opinion of the Vendor, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto.
5. Any encroachments, minor defects or irregularities indicated on any survey of the Property or which may be disclosed on an up-to-date survey of the Property;
6. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance.
7. Any breaches of any applicable laws, including, without limitation, outstanding building permits, work orders and deficiency notices.
8. Any subdivision agreements, site plan agreements, development agreements and any other agreements with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction.
9. Defects or irregularities in title to the Property.
10. Any rights of expropriation, access or use, or any other right conferred or reserved by or in any statute of Canada or the Province of Ontario or in any other governmental authority.

11. Encumbrances respecting minor encroachments by the Property over neighbouring lands permitted under agreements with the owners of such other lands and minor encroachments over any of the Property by improvements of abutting land owners permitted under agreements with such abutting owners.
12. Without in any way limiting the generality of any of the foregoing, the following specific instruments registered on title against the Property:

PIN: 13243-0378 (LT)

- a) Instrument No. TR353603 being a Notice of Amendment of Airport Zoning Regulations registered January 15, 1973.
- b) Instrument No. LT2057426 being a Notice of Pearson Airport Zoning Regulation registered March 27, 2000.
- c) Instrument No. PR2489661 being a Transfer registered January 20, 2014, from Roland William Karl and Thomas Alfred Karl to Ideal (WC) Developments Inc.
- d) Instrument No. PR2489665 being a Transfer registered January 20, 2014, from Anneliese Bertha Karl to Ideal (WC) Developments Inc.
- e) Instrument No. PR2907448 being an Application to Consolidate registered May 3, 2016.
- f) Instrument No. PR43R37427 being a Reference Plan registered November 23, 2016.
- g) Instrument No. PR3034033 being an Application for Absolute Title registered November 24, 2016.
- h) Instrument No. PR3114761 being a Charge in favour of Amercan Corporation registered April 24, 2017 as amended by Instrument No. PR3799133 being a Noticed registered on March 16, 2021.
- i) Instrument No. PR3799134 being a Charge in favour of Dragon Holding Global Real Estate Funds Inc. registered March 16, 2021.

PIN: 13243-0269 (LT)

- a) Instrument No. TR353603 being a Notice of Amendment of Airport Zoning Regulations registered January 15, 1973.
- b) Instrument No. LT1045790 being a Notice registered August 30, 1989, in favour of The Corporation of the City of Mississauga and The Regional Municipality of Peel.

- c) Instrument No. LT1045792 being a Notice registered August 30, 1989, in favour of Mississauga Hydro-Electric Commission.
- d) Instrument No. LT2057426 being a Notice of Pearson Airport Zoning Regulations registered March 27, 2000, from Her Majesty The Queen In Right of the Department of Transport Canada.
- e) Instrument No. PR2801362 being a Transfer registered October 9, 2015, from The Corporation of the City of Mississauga in favour of Ideal (WC) Developments Inc.
- f) Instrument No. PR3114761 being a Charge in favour of Amercan Corporation registered April 24, 2017 as amended by Instrument No. PR3799133 being a Notice registered on March 16, 2021.
- g) Instrument No. PR3799134 being a Charge in favour of Dragon Holding Global Real Estate Funds Inc. registered March 16, 2021.

EMPIRICAL CAPITAL CORP.

-and-

IDEAL (WC) DEVELOPMENTS INC.

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West

35th Floor

Toronto, ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646.4330

jeff.larry@paliareroland.com

Lawyers for the Receiver

TAB H



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: CV-21-00672628-00CL DATE: June 24, 2022

NO. ON LIST: 4

TITLE OF PROCEEDING: **EMPIRICAL CAPITAL CORP V IDEAL (WC) DEVELOPMENTS**

BEFORE JUSTICE: **CONWAY**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
Wendy Greenspoon-Soer	EMPIRICAL CAPITAL CORP	wgreenspoon@garfinkle.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Judy Hamilton	Ideal Developments Inc	jh@friedmans.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Daniel Weisz (Receiver)	RSM Canada Limited	Daniel.weisz@rsmcanada.com
Ali Shaikh		alishaikh@slclawyer.ca
Nicholas Kluge		nicholas.kluge@gowlingwlg.com
Jeff Larry		jeff.larry@paliareroland.com

Arnie Herschorn aherschorn@mindengross.com

ENDORSEMENT OF JUSTICE CONWAY:

All defined terms used in this endorsement shall, unless otherwise defined herein, have the meanings ascribed to them in the factum of the Receiver dated June 22, 2022.

The Receiver brings this motion for an approval and vesting order (AVO) to transfer title to the Property into the name of Purchaser pursuant to the APS for the Transaction.

The Property was sold in accordance with a Marketing Process Order granted by Justice Kimmel which started on March 29, 2022 and required bids to be submitted by May 12, 2022. Dragon was the successful bidder (and assigned its rights in the Transaction to the Purchaser).

The Receiver recommends the Transaction.

I am satisfied that the *Soundair* principles have been satisfied. The Property was marketed to thousands of prospective purchasers, listed on MLS, advertised on the Avison Young website and in the Globe and Mail. The marketing process following the Marketing Process Order and last six weeks. Confidentiality agreements were signed by 28 potential purchasers. Three offers were received.

The Receiver accepted the Dragon offer. In its Second Report, it says that the APS was the most advantageous one for the creditors of the Property. In particular, the cash component of the APS exceeded that of the other two offers. Although a portion of Dragon's bid was a credit bid, the Receiver had no regard to the validity of the Dragon/American mortgages in determining whether the APS was the superior bid. Further, the cash component of the APS gave rise to a higher net realizable value than the other bids because certain costs would have had to be deducted from the cash received in those other offers.

The motion was contested.

Mr. Faruqui is one of the 15 Home Buyers that are seeking to recover their deposits paid to Ideal. They allege that the principal of Ideal (Mr. Nadarajalmgam) (the "**Ideal Principal**") defrauded them of their funds. Mr. Faruqui opposes the Transaction and said in his responding materials that he was offering to purchase the Property for \$6.81 million. The problem is that Mr. Faruqui did not engage in or comply with the court approved sales process, even though he was represented by counsel at the hearing before Justice Kimmel and was invited to submit an offer during the process. His counsel says that there was a communication breakdown between Mr. Faruqui and his former counsel – unfortunately, that does not excuse his failure to abide by the court process. In any event, the cash component of the APS exceeds Mr. Faruqui's offer.

At the hearing, Mr. Faruqui said that the sales process was not transparent because he was not told what the amount of the successful bid was. When the amount of the cash component in the APS was improperly revealed at the hearing, Mr. Faruqui then put forth another bid of over \$8 million, and asked to reopen the process.

That is simply not how the court approved process works. It is essential that the integrity of the process be maintained. All of the bids are subject to confidentiality provisions as part of that process. Mr. Faruqui was never entitled to know what they were. It is the Receiver that provides a report to the court for its consideration in determining whether to approve a transaction. This is not an issue of transparency.

Further, and as noted, Mr. Faruqui had the opportunity to participate in the process along with other bidders and did not do so.

Next, Mr. Faruqui suggest that there is a relationship between Dragon and the Ideal Principal and that they are colluding together. He attacks the validity of the Dragon/American mortgages that are the credit bid part of

the Transaction. There are several problems with these arguments. First, there is extremely thin evidence of the relationship between Dragon and the Ideal Principal. Second, the Receiver did not take into account the validity of those mortgages in determining that the Transaction was the superior one. Third, counsel for all parties acknowledged at the hearing that granting the AVO may transfer title into the name of the Purchaser and protect the proceeds for creditors of Ideal but would not preclude a tort or other claim for damages if the buyers uncover evidence of conspiracy or fraud against Dragon and/or the Ideal Principal.

Finally, Mr. Herschorn attended today for other home buyers. He opposed the motion on the basis that the purchase price is almost \$2 million lower than an appraisal for the Property conducted in 2020. That appraisal is almost two years old and is based on certain assumptions. More important, however, the appraisal ceases to have relevance once widespread marketing of the Property is done, as it was in this case: *B&M Handelman Investments Limited et al v. Mass Properties Inc.*, 2009 CanLII 41349; *Royal Bank of Canada v. Atlas Block Co. Limited*, 2014 ONSC 1531.

It is for these reasons that I am approving the Transaction and granting the AVO. The remainder of the relief set out in the Ancillary Order is satisfactory. The Ancillary Order contains a sealing order for the Confidential Appendices to the Receiver's report and should be sealed pending the closing. The sealing order meets the *Sierra Club/Sherman* test and is granted. **Counsel for the Receiver is directed to file a hard copy of the Confidential Appendices with the court in a sealed order with a copy of this endorsement and the signed orders.**

Orders to go as signed by me and attached to this endorsement. These orders are effective from today's date and are enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is written in a cursive style.

TAB I

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

THE HONOURABLE) Friday
JUSTICE CONWAY) ~~TUESDAY~~ THE 24TH DAY
OF JUNE, 2022

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

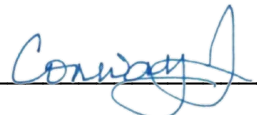
APPLICATION UNDER s. 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985 c-B-3, as amended and S. 101 of the *Courts of Justice Act*,
R.S.O. 1990, c.C-43, as amended

ORDER

THIS MOTION, made by **RSM CANADA LIMITED** in its capacity as the receiver (the "**Receiver**"), without security, of the property municipally known as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") owned by Ideal (WC) Developments Inc. (the "**Debtor**"), for an order approving the sale of the Property and various ancillary relief described in the Second Report of the Receiver dated June 9, 2022 (the "**Second Report**") and the Supplemental Report to the Second Report of the Receiver dated June 22, 2022 (the "**Supplemental Report**"), was heard this day by videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report and the Appendices and Confidential Appendix attached thereto, and the Supplemental Report and on hearing the submissions of counsel for the Receiver and such other counsel who were present:

1. **THIS COURT ORDERS AND DECLARES** that the Second Report and the Supplemental Report and the conduct and activities of the Receiver set out in both reports be and are hereby approved.
2. **THIS COURT ORDERS** that the Receiver's Interim Statement of Receipts and Disbursements for the period January 11, 2022 to June 8, 2022 be and is hereby approved.
3. **THIS COURT ORDERS** that Confidential Appendix "1" and Tabs 1-4 therein be and are hereby sealed until the closing of the sale of the Property.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period March 1, 2022 to May 31, 2022 as set out in the Second Report, be and are hereby approved.
5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's counsel, Garfinkle Biderman LLP and Paliare Roland Rosenberg Rothstein LLP, for the respective periods February 7, 2022 to May 31, 2022 and February 2 to May 22, 2022, all as set out in the Second Report, be and are hereby approved.
6. **THIS COURT ORDERS** that the Receiver is authorized to make the Post-Closing Payments (as described and defined in the Second Report) and the Amended Empirical Distribution (as described and defined in the Supplemental Report).
7. **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.



EMPIRICAL CAPITAL CORP.

-and-

IDEAL (WC) DEVELOPMENTS INC.

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West

35th Floor

Toronto, ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646.4330

jeff.larry@paliareroland.com

Lawyers for the Receiver

TAB J



Receiver's Certificate

Court File No.: CV-21-00672628-00CL

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

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

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Dietrich of the Ontario Superior Court of Justice (the "**Court**") dated January 11, 2022, RSM Canada Limited was appointed as the receiver (the "**Receiver**") of the lands and premises municipally known as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") owned by Ideal (WC) Developments Inc. (the "**Debtor**"), including all proceeds thereof.

B. Pursuant to an Order of the Court dated June 24, 2022 (the "**Vesting Order**"), the Court approved the agreement of purchase and sale between the Receiver and Dragon Holding Global Real Estate Funds Inc. dated May 26, 2022 (the "**APS**") and assigned to the 1000199992 Ontario Corp. (the "**Purchaser**") on June 20, 2022 and provided for the vesting in the Purchaser all of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the

delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets in accordance with the APS; (ii) that the conditions of Closing as set out in the APS have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APS or the Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Date of Closing pursuant to the APS;

2. The conditions to Closing as set out in the APS have been satisfied or waived by the Receiver and the Purchaser;

3. The Transaction has been completed to the satisfaction of the Receiver; and

4. This Certificate was delivered by the Receiver at 4.22 PM on JULY 11, 2022

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver of the Property and
not in its personal or corporate capacity**

Per: 

Name Daniel Weisz

Title Senior Vice-President

EMPIRICAL CAPITAL CORP.

-and-

IDEAL (WC) DEVELOPMENTS INC.

Court File No.: CV-21-00672628-00CL

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT
TORONTO**

RECEIVER'S CERTIFICATE

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West
35th Floor

Toronto, ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646.4330

jeff.larry@paliaroland.com

Lawyers for the Receiver

TAB K

RSM Canada Limited
Court Appointed Receiver of
6532 & 6544 Winston Churchill Boulevard,
Mississauga, Ontario

Interim Statement of Receipts and Disbursements
For the period January 11, 2022 to March 15, 2023

Receipts	
Advances from Secured Lender (1)	\$ 20,000
HST refund	886
Interest earned	1,326
Sale of the Property (2)	7,251,113
Total Receipts	\$ <u>7,273,325</u>
Disbursements	
Commission on Sale of the Property	\$ 242,674
Insurance	4,200
Landscaping	1,350
Legal Fees and Disbursements	114,504
Property Taxes	44,980
Receiver's Fees	160,302
Repayment of Advances (1)	20,000
Security/Site Inspections	5,268
Miscellaneous	469
HST/PST Paid	68,373
Total Disbursements	\$ <u>662,120</u>
Excess of Receipts over Disbursements	\$ 6,611,206
Less: Distribution to Secured Creditor: Empirical Capital Corp.	6,546,576
Net funds on hand	\$ <u><u>64,630</u></u>

Notes:

- (1) Funding advanced by the secured lender, Empirical Capital Corp. ("Empirical"), secured by Receiver Certificates No. 1 and 2.
- (2) The sale of the Property closed on July 12, 2022. The purchase price for the Property was \$12,125,000, comprised of a cash amount (the "Cash Amount"), and the assumption by the purchaser of the debts due under the second mortgage and of a portion of the debt owed under the third mortgage registered against the Property. As of the date of closing, the Cash Amount was calculated to be \$7,251,113. The Cash Amount is subject to adjustment subsequent to closing.

TAB L

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

**AFFIDAVIT OF DANIEL WEISZ
(Sworn March 27, 2023)**

I, **DANIEL WEISZ**, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Senior Vice-President of RSM Canada Limited ("**RSM**") and as such I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true.

2. Pursuant to the Order of the Ontario Superior Court of Justice dated January 11, 2022, RSM Canada Limited was appointed as receiver (the "**Receiver**") over the lands and premises known municipally as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario.

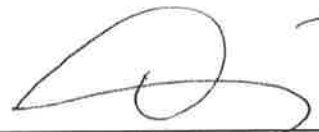
3. Attached hereto and marked as **Exhibit "A"** to this my affidavit are copies of invoices (the "**Invoices**") issued by RSM for fees incurred by the Receiver in respect of these proceedings for the period June 1, 2022 to March 15, 2023 (the "**Period**"). The total fees charged for the Period are \$54,303.00 plus HST of \$7,059.40 for a total of \$61,362.40. The average hourly rate charged during the Period was \$509.89.

4. The Invoices are a fair and accurate description of the services provided and the amounts charged by RSM for the Period.

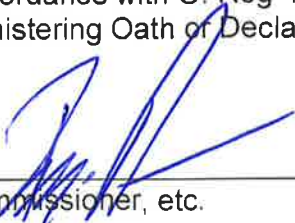
5. Attached hereto and marked as **Exhibit "B"** is a schedule summarizing the Invoices in Exhibit "A", the total billable hours charged, the total fees charged and the average hourly rate charged.

6. I make this affidavit in support of a motion for an Order approving the Receiver's fees and disbursements and for no other or improper purpose.

SWORN BEFORE ME remotely by)
Daniel Weisz, stated as being located at the)
City of Vaughan in the Province of Ontario,)
before me at the City of Toronto in the)
Province of Ontario, on March 27, 2023,)
in accordance with O. Reg 431/20,)
Administering Oath or Declaration Remotely)




DANIEL WEISZ



A Commissioner, etc.

Bryan Allan Tannenbaum,
a Commissioner, etc., Province of Ontario, for
RSM Canada LLP and RSM Canada Limited.
Expires February 4, 2024.

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN REMOTELY
BEFORE ME THIS 27th DAY OF MARCH, 2023.**



A Commissioner, etc.

Bryan Allan Tannenbaum,
a Commissioner, etc., Province of Ontario, for
RSM Canada LLP and RSM Canada Limited.
Expires February 4, 2024.

To RSM Canada Limited
 Court-Appointed Receiver of
 6532 & 6544 Winston Churchill Boulevard, Mississauga, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date July 5, 2022

Client File 8363973

Invoice 6

No. 6717291

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") for the period June 1, 2022 to June 30, 2022.

Date	Professional	Description
6/1/2022	Daniel Weisz	Review and update the Receiver's report to the court and confidential appendix; discussion with home buyer.
6/2/2022	Brenda Wong	Review changes to draft report and emails with D. Weisz re same; review email correspondence re sale; respond to email from Ideal (WC) Developments Inc. ("Ideal" or the "Debtor") re status; email to Garfinkle Biderman LLP ("Garfinkle") re updated tax certificates; email to E. Odeh re correspondence and discussions with Canada Revenue Agency ("CRA").
6/2/2022	Daniel Weisz	Conference call with K. Avison and B. Sykes of Avison Young ("Avison"); review and respond to emails from A. Strahl; review email from B. Wong and respond thereto; review and update report to court and confidential appendix; email to J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") re draft report; email to Empirical Capital Corp. ("Empirical") to request payout statement.
6/3/2022	Brenda Wong	Review summary of activities.
6/3/2022	Daniel Weisz	Review summary of activities; exchange emails with J. Larry; discussion with home buyer.
6/5/2022	Daniel Weisz	Exchange emails with J. Larry re report to court.
6/6/2022	Brenda Wong	Update affidavit of fees for second report; call and email to CRA re Ideal's tax position.
6/6/2022	Daniel Weisz	Review J. Larry changes to court report; update report; email to W. Greenspoon-Soer of Garfinkle re CRA; discussion with B. Wong re enquiry to be made of CRA; email to Empirical re accounts of the Receiver.
6/7/2022	Echa Odeh	File HST return for May 2022.

Date	Professional	Description
6/7/2022	Brenda Wong	Review email correspondence; emails to Ideal and Avison re CAD drawings; review changes to draft report; prepare interim statement of receipts and disbursements ("R&D").
6/7/2022	Daniel Weisz	Review and update report to court; emails to Garfinkle re fee affidavit; email to Avison re report to court; exchange emails with Empirical re indebtedness to Empirical; review email from F. Wang; update fee affidavit and swear same; discussion with home buyer.
6/8/2022	Brenda Wong	Assemble report appendices and reference report to source documents; emails with Moreau Property Services ("Moreau") re arranging for grass cutting; emails with Avison re drawings for the site development application.
6/8/2022	Daniel Weisz	Review draft R&D; review Avison comments re draft report; review exchange of emails re F. Wang requests; review Garfinkle affidavit of fees and email to Garfinkle re same.
6/9/2022	Brenda Wong	Review Garfinkle affidavit and update report; review edits to report and appendices; send drafts to B. Tannenbaum and B. Mestel of Garfinkle for comments; follow up with CRA re HST liability, review fax from CRA and update report re HST position; send report appendices to Paliare Roland; discussion with CRA re HST and payroll accounts.
6/9/2022	Daniel Weisz	Work on updating report to court; exchange emails with J. Larry; review revised Garfinkle fee affidavit; review Paliare Roland fee affidavit and exchange emails with M. Bradt re same; review letter from CRA and B. Wong on same.
6/11/2022	Daniel Weisz	Review draft notice of motion, approval and vesting order and ancillary order and email to J. Larry re same; update report to court.
6/13/2022	Anne Baptiste	Prepare bank reconciliation.
6/13/2022	Daniel Weisz	Review final report and sign; email to J. Larry re same.
6/14/2022	Brenda Wong	Discuss with Moreau re grass cutting completed at the Property; review email from Paliare Roland.
6/14/2022	Daniel Weisz	Review draft notice of motion and email to J. Larry re same; discussion with B. Wong; review and respond to email from F. Wang.
6/15/2022	Brenda Wong	Review and respond to email from City of Mississauga re property taxes; review emails from Garfinkle and Paliare Roland.
6/15/2022	Daniel Weisz	Review email from B. Mestel re email from S. Rosen of Gowling WLG (Canada) LLP ("Gowling") and discussion with B. Mestel re same; review and respond to emails regarding amounts owing to Empirical; exchange emails with J. Larry re request for confidential appendix by a creditor.
6/16/2022	Daniel Weisz	Draft supplemental report to the second report; review email from J. Larry and reply thereto.
6/17/2022	Brenda Wong	Review emails from Paliare Roland.
6/17/2022	Daniel Weisz	Exchange emails with B. Mestel re closing matters; discussion with W. Greenspoon-Soer; review emails re revised discharge statement for Empirical.
6/20/2022	Anne Baptiste	Post disbursements.

Date	Professional	Description
6/20/2022	Brenda Wong	Review Moreau invoice for grass cutting; email to Moreau re May invoice for site inspections; prepare cheque requisitions and submit for payment; review and file emails re sale closing and property taxes; review emails re confidentiality agreement and supplemental second report.
6/20/2022	Daniel Weisz	Process electronic payments; discussion with J. Larry re his discussion with A. Herschorn; review, update and sign confidentiality agreement re access to confidentiality appendix; review and update supplemental report and email to J. Larry re same; discussion with home buyer; review J. Larry comments re draft supplemental report.
6/21/2022	Brenda Wong	Review emails re assignment of agreement of purchase and sale ("APS") and supplemental report; review affidavit of unsecured creditor intending to appear at hearing and emails re same.
6/21/2022	Daniel Weisz	Review draft factum and provide comments to J. Larry; review updated ancillary order and provide comments to J. Larry; review email from Gowling re assignment of the APS and email to B. Mestel regarding same; update supplemental report to court; exchange emails with K. Avison; review notice of objection to sale and affidavit relating to same; review proposed changes to amending agreement and email to B. Mestel re same; discussion with J. Larry; update supplemental report re notice of objection to sale.
6/22/2022	Brenda Wong	Review email correspondence; review updated Service List and arrange for posting; review updated Supplemental Second Report.
6/22/2022	Daniel Weisz	Review and update supplemental report; review revised approval and vesting order and email to J. Larry re same; review executed assignment agreement; discussion with B. Mestel; review and exchange emails with W. Greenspoon-Soer.
6/23/2022	Brenda Wong	Review final Supplementary Report and arrange for posting of report and Factum to Receiver's webpage; review email correspondence.
6/23/2022	Daniel Weisz	Discussion with W. Greenspoon-Soer re Supplementary Report; exchange emails with A. Strahl; review files re enquiry from A. Herschorn, email to J. Larry re same and discussion with J. Larry; email to A. Herschorn re information requested.
6/24/2022	Daniel Weisz	Prepare for and attend in court for Receiver's application to approve the sale and other ancillary relief, discussions with J. Larry; preliminary review of 2020 appraisal of the Property; review material filed by A. Shaikh; conference call with J. Larry and W. Greenspoon-Soer; review endorsement of Justice Conway and court orders issued.
6/27/2022	Brenda Wong	Review emails re orders issued and affidavit to be posted and arrange for posting of same; email Moreau re sale and schedule final site inspection; email B. Mestel re fence rental; email HUB International Insurance Brokers ("HUB") to notify of sale, extension request and discuss with A. Cheung re same.
6/27/2022	Daniel Weisz	Discussion with A. Strahl re status of closing; discussion with B. Mestel re closing matters; email to W. Greenspoon-Soer and J. Larry; review email re insurance.
6/28/2022	Brenda Wong	Review email from HUB re extension of coverage; review email from counsel re purchaser; review emails from Avison.
6/28/2022	Daniel Weisz	Review emails re closing matters.

Date	Professional	Description
6/29/2022	Anne Baptiste	Post disbursement.
6/29/2022	Brenda Wong	Prepare calculation of Cash Amount; review Moreau invoice and submit for payment; email Super Save Fence Rental to notify of sale of the Property; prepare estimate of fees to completion.
6/29/2022	Daniel Weisz	Exchange emails with B. Mestel, review draft schedule re cash due on closing; process electronic payment.
6/30/2022	Brenda Wong	Review email and receive call from Moreau; prepare summary of professional fees to be paid; review email re Paliare Roland outstanding and estimated fees to complete.
6/30/2022	Daniel Weisz	Exchange emails with J. Larry re outstanding fees and estimate to complete.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	30.2	\$ 595	\$ 17,969.00
Brenda Wong, CIRP, LIT	Senior Manager	10.2	\$ 485	4,947.00
Echa Odeh	Senior Manager	0.2	\$ 250	50.00
Anne Baptiste	Estate Administrator	0.6	\$ 110	66.00
Total hours and professional fees		<u>41.2</u>		\$ 23,032.00
HST @ 13%				2,994.16
Total payable				\$ 26,026.16

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited

To RSM Canada Limited
 Court-Appointed Receiver of
 6532 & 6544 Winston Churchill Boulevard, Mississauga, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date August 2, 2022

Client File 8363973

Invoice 7

No. 6739355

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") for the period July 1, 2022 to July 31, 2022.

Date	Professional	Description
7/5/2022	Brenda Wong	Update summary of professional fees and calculation of the Cash Amount defined in the agreement of purchase and sale (the "Cash Amount") due on closing; review summary of activities; email City of Mississauga re property taxes and review response.
7/5/2022	Daniel Weisz	Exchange emails with Empirical Capital Corp. ("Empirical") and W. Greenspoon-Soer of Garfinkle Biderman LLP ("Garfinkle") re amount owing to Empirical; discussion with B. Mestel of Garfinkle; email to B. Mestel; review draft closing documents and email to Garfinkle regarding same; review summary of activities; exchange emails with B. Wong re outstanding property taxes.
7/6/2022	Brenda Wong	Review emails from Garfinkle; check Garfinkle wire transfer instructions; update summary of professional fees and calculation of the Cash Amount, review D. Weisz calculation and discussion re same; call with D. Weisz and Garfinkle to discuss closing documents; review and respond to Garfinkle emails re property taxes.
7/6/2022	Daniel Weisz	Prepare schedule re the Cash Amount and discussion with B. Wong regarding same; prepare for and attend conference call with B. Mestel, R. Chayanam and B. Wong re closing matters; exchange emails with W. Greenspoon-Soer re amounts owing to Garfinkle; review updated closing documents and email to Garfinkle regarding same; review emails re status of property taxes paid and discussion with B. Wong re same; preliminary review of payout statements re second and third mortgagees; discussion with B. Mestel.
7/7/2022	Brenda Wong	Review Dragon Holding Global Real Estate Funds Inc. and American Corporation ("American") loan statements and email to D. Weisz comments on same; review emails to counsel re closing documents; review statement of adjustments and emails re same.

Date	Professional	Description
7/7/2022	Daniel Weisz	Review email from J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") and email to B. Mestel; conference call with B. Mestel and A. Brown of Garfinkle re credit component of offer; subsequent emails re same; review draft statement of adjustments and discussion with B. Wong on same; review revised statement of adjustments and email to Garfinkle re same; review draft releases and email to B. Mestel re same; conference call with A. Brown and B. Mestel to discuss the draft releases; review and sign closing documents and email to Garfinkle regarding same; review Paliare Roland account for June; review American payout statement and email to B. Mestel; discussion with B. Mestel; review further revised documents and discussion with B. Mestel re same.
7/8/2022	Brenda Wong	Review emails re closing documents; review revised Statement of Adjustments; respond to email from HUB International Insurance Brokers ("HUB") re status update.
7/8/2022	Daniel Weisz	Review emails re closing; discussion with B. Mestel; conference call with W. Greenspoon-Soer and B. Mestel; exchange emails with J. Larry; review email from F. Wang and respond thereto; discussion with B. Mestel; review documents received from S. Rosen and discussion with B. Mestel re same.
7/9/2022	Daniel Weisz	Review emails re closing matters.
7/10/2022	Daniel Weisz	Preliminary review of documents sent by S. Rosen of Gowling WLG (Canada) LLP and email to B. Mestel re same.
7/11/2022	Brenda Wong	Review emails re closing documents and respond re American mortgage statement balance; review professional fees to be paid upon closing; discussion with B. Mestel and D. Weisz re American loan; emails from/to HUB re status; email Garfinkle re padlocks on the fence; prepare cheque requisitions for payment of post-closing payments.
7/11/2022	Daniel Weisz	Telephone discussions with B. Mestel and A. Brown; review email from W. Greenspoon-Soer; review email from S. Rosen; review statement of adjustments and email to Garfinkle re same; review draft assumption agreements and email to B. Mestel; review B. Mestel email to S. Rosen; conference call with B. Wong and B. Mestel; review various documents sent by S. Rosen, email to and discussion with B. Mestel re same; discussions with B. Mestel re status of closing; exchange emails with A. Strahl; email to K. Avison and B. Sykes of Avison Young ("Avison"); discussion with A. Strahl.
7/12/2022	Brenda Wong	Review emails re status of closing; emails to HUB, Super Save Fence Rentals and Moreau Property Services ("Moreau") re closing; prepare emails for processing of post-closing payments; email Receiver's banking information to Garfinkle; arrange for updating of Receiver's webpage; call Avison to verify banking information; call from Garfinkle to confirm Receiver's bank information, discussion with B. Mestel and R. Chayanam re the Cash Amount overpayment and statement of adjustments; discuss with D. Weisz re available post-closing funds.
7/12/2022	Brenda Wong	Review revised Statement of Adjustments.
7/12/2022	Daniel Weisz	Review emails re status of closing; exchange emails and discussion with R. Chayanam re original Receiver's Certificate required; exchange emails with A. Strahl re status; discussion with W. Greenspoon-Soer re status and

Date	Professional	Description
		distribution of funds to Empirical; email to Garfinkle re direction to be prepared re payment of funds to Empirical; review subsequent emails re same; review and sign revised direction; conference call with W. Greenspoon-Soer and A. Strahl re status of distribution; discussion with B. Wong re funds received at closing; discussion with B. Mestel; review revised statement of adjustments and email to B. Mestel re same.
7/13/2022	Anne Baptiste	Post receipt; post disbursements.
7/13/2022	Echa Odeh	Calculate HST return and email to B. Wong for review.
7/13/2022	Brenda Wong	Review emails from Garfinkle re payment of property taxes and funds transferred to the Receiver; respond to emails from E. Odeh re HST return; check online banking for receipt of funds and submit paperwork for recording of net sale proceeds.
7/13/2022	Daniel Weisz	Review and filing of emails; discussion with B. Mestel re status of wiring of funds; review email re funds to be wired and respond thereto; process electronic payments.
7/14/2022	Anne Baptiste	Prepare bank reconciliation.
7/14/2022	Anne Baptiste	Post disbursement.
7/14/2022	Brenda Wong	Emails with Paliare Roland and Avison re confirmation of payment.
7/19/2022	Echa Odeh	Prepare draft Third Report of Receiver (the "Draft Report") including review of file for updates and status of outstanding items; collate appendices for report.
7/19/2022	Brenda Wong	Review invoice for payment and prepare cheque requisition re same; prepare draft report pursuant to Section 246(2) of the Bankruptcy and Insolvency Act report ("Section 246(2) Report") and Statement of Receipts and Disbursements ("R&D").
7/20/2022	Echa Odeh	Review of court documents and update the Draft Report; prepare draft affidavit of fees; prepare draft invoice summary.
7/20/2022	Brenda Wong	Review the Draft Report, make edits and email to E. Odeh re comments.
7/21/2022	Brenda Wong	Review and make changes to the Draft Report.
7/22/2022	Daniel Weisz	Exchange emails with Garfinkle.
7/22/2022	Brenda Wong	Make updates to the Draft Report.
7/25/2022	Anne Baptiste	Post disbursement.
7/25/2022	Echa Odeh	Prepare deposit slip and receipt processing form for HST refund.
7/25/2022	Daniel Weisz	Process electronic payment.
7/25/2022	Brenda Wong	Review cheque received re HST refund and update the Draft Report; review email correspondence received from homebuyer.
7/26/2022	Daniel Weisz	Process electronic payment; review email from J. Larry; review and update the Section 246(2) Report and the R&D and email to B. Wong re same; discussion with J. Larry re correspondence and phone call he received.
7/26/2022	Brenda Wong	Review Moreau invoice and submit for payment; review changes to the draft Section 246(2) Report, make edits and file with the Official Receiver.
7/27/2022	Anne Baptiste	Post receipt.

Date	Professional	Description
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	20.3	\$ 595	\$ 12,078.50
Brenda Wong, CIRP, LIT	Senior Manager	12.7	\$ 485	6,159.50
Echa Odeh	Senior Manager	4.9	\$ 250	1,225.00
Anne Baptiste	Estate Administrator	0.9	\$ 110	99.00
Total hours and professional fees		<u>38.8</u>		\$ 19,562.00
HST @ 13%				2,543.06
Total payable				\$ 22,105.06

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited

To RSM Canada Limited
 Court-Appointed Receiver of
 6532 & 6544 Winston Churchill Boulevard, Mississauga, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date September 7, 2022

Client File 8363973

Invoice 8

No. 6762701

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") for the period August 1, 2022 to August 31, 2022.

Date	Professional	Description
8/2/2022	Echa Odeh	Prepare and file HST return for July.
8/2/2022	Brenda Wong	Emails with E. Odeh re July HST return; review summary of activities.
8/2/2022	Daniel Weisz	Review summary of activities; begin review of the draft third report to the Court.
8/3/2022	Donna Nishimura	Prepare cheque requisition and submit for payment.
8/3/2022	Daniel Weisz	Continue review and update of report to court; email to B. Wong re same; process electronic payment; emails to Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland") and Garfinkle Biderman LLP ("Garfinkle"); exchange emails with B. Mestel of Garfinkle.
8/4/2022	Anne Baptiste	Post disbursement.
8/4/2022	Brenda Wong	Review changes to draft report and make updates.
8/5/2022	Anne Baptiste	Prepare bank reconciliation.
8/9/2022	Anne Baptiste	Post disbursement.
8/9/2022	Brenda Wong	Prepare cheque requisition and submit invoice for payment.
8/9/2022	Daniel Weisz	Exchange emails with J. Larry of Paliare Roland; process electronic payment.
8/10/2022	Daniel Weisz	Review account rendered by Garfinkle and discussion re same.
8/11/2022	Anne Baptiste	Post disbursement.
8/11/2022	Echa Odeh	Phone call with Canada Revenue Agency ("CRA") regarding audit review.
8/11/2022	Brenda Wong	Prepare cheque requisition for Garfinkle's July invoice and submit for payment; prepare reconciliation of the Cash Amount; email to Super Save Fence Rental re August invoice sent to the Receiver in error.

Date	Professional	Description
8/11/2022	Daniel Weisz	Process electronic payment; preliminary review of schedule re amendments to statement of adjustments; review email re status of HST refund.
8/25/2022	Echa Odeh	Phone call to CRA regarding HST examination.
8/25/2022	Daniel Weisz	Exchange emails re the status of the HST audit.
8/26/2022	Echa Odeh	Prepare draft letter and collate supporting documents in preparation for HST examination.
8/30/2022	Brenda Wong	Discuss with D. Weisz re HST status and outstanding items.
8/30/2022	Daniel Weisz	Discussion with B Wong re finalization of the receivership and matters relating thereto.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	4.6	\$ 595	\$ 2,737.00
Brenda Wong, CIRP, LIT	Senior Manager	2.3	\$ 485	1,115.50
Echa Odeh	Senior Manager	1.8	\$ 250	450.00
Anne Baptiste/Donna Nishimura	Estate Administrator	0.6	\$ 110	66.00
Total hours and professional fees		9.3		\$ 4,368.50
HST @ 13%				567.91
Total payable				\$ 4,936.41

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited

To RSM Canada Limited
 Court-Appointed Receiver of
 6532 & 6544 Winston Churchill Boulevard, Mississauga, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date November 2, 2022

Client File 8363973

Invoice 9

No. 6823235

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the “**Property**”) for the period September 1, 2022 to October 31, 2022.

Date	Professional	Description
9/1/2022	Daniel Weisz	Review summary of activities.
9/7/2022	Donna Nishimura	Prepare cheque requisition and submit for payment.
9/7/2022	Anne Baptiste	Prepare bank reconciliation; post disbursement.
9/7/2022	Daniel Weisz	Process electronic payment.
9/9/2022	Echa Odeh	File HST return.
9/29/2022	Brenda Wong	Review and update HST tracking spreadsheet.
10/4/2022	Anne Baptiste	Prepare data for HST filing.
10/5/2022	Anne Baptiste	File HST return.
10/7/2022	Anne Baptiste	Prepare bank reconciliation.
10/17/2022	Anne Baptiste	Post interest allocation.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	0.2	\$ 595	\$ 119.00
Brenda Wong, CIRP, LIT	Senior Manager	0.2	\$ 485	97.00
Echa Odeh	Senior Manager	0.2	\$ 250	50.00
Anne Baptiste/Donna Nishimura	Estate Administrator	1.4	\$ 110	154.00
Total hours and professional fees		<u>2.0</u>		\$ 420.00
HST @ 13%				54.60
Total payable				\$ 474.60

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited

To RSM Canada Limited
 Court-Appointed Receiver of
 6532 & 6544 Winston Churchill Boulevard, Mississauga, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date February 3, 2023

Client File 8363973

Invoice 10

No. 6897443

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") for the period November 1, 2022 to January 31, 2023.

Date	Professional	Description
11/2/2022	Donna Nishimura	Prepare cheque requisition and submit for payment.
11/2/2022	Anne Baptiste	Post disbursement.
11/2/2022	Brenda Wong	Review and respond to email from Moreau Property Services re payment details; review and approve invoice for payment; update affidavit of fees.
11/2/2022	Daniel Weisz	Review summary of activities; process electronic payment.
11/7/2022	Brenda Wong	Review Canada Revenue Agency ("CRA") Notice of Assessment ("NOA") re HST return filed; email L. Nielsen of CRA re status of HST review and NOA.
11/9/2022	Daniel Weisz	Listen to voicemail re status of HST pending audit by CRA.
11/10/2022	Brenda Wong	File October HST return; call to CRA to inquire re access code.
11/29/2022	Anne Baptiste	Prepare bank reconciliation.
12/1/2022	Anne Baptiste	Post interest.
12/5/2022	Anne Baptiste	Prepare bank reconciliation.
12/5/2022	Brenda Wong	Receipt and review of CRA NOA.
12/9/2022	Anne Baptiste	Prepare and file HST return.
12/19/2022	Anne Baptiste	Post interest.
1/3/2023	Brenda Wong	Review and respond to email from Garfinkle Biderman LLP ("Garfinkle") re final reconciliation; follow up call to CRA re status of HST audit.
1/10/2023	Brenda Wong	Review correspondence from Garfinkle, review accounting and emails with Garfinkle re same; review correspondence from CRA and email L. Nielsen of CRA re outstanding audit of July HST return and review response; call to CRA Business Enquiries Line to request July 2022 return be assigned to Audit.
1/11/2023	Brenda Wong	Review accounting from Garfinkle re outstanding fees.

Date	Professional	Description
1/12/2023	Anne Baptiste	File HST return for December.
1/13/2023	Anne Baptiste	Prepare bank reconciliation.
1/16/2023	Brenda Wong	Call with P. Mullaly, Audit Division, CRA re July HST refund; send fax to CRA with supporting documents.
1/17/2023	Brenda Wong	Review professional fees paid and update adjustments to Statement of Adjustments; reconcile to Ascend.
1/19/2023	Brenda Wong	Prepare report pursuant to Section 246(2) of the Bankruptcy and Insolvency Act report for the period ended January 15, 2023 ("Section 246(2) Report").
1/24/2023	Brenda Wong	Review CRA NOA re July 2022 return and email to D. Weisz re HST account.
1/24/2023	Daniel Weisz	Review email from B. Wong and NOA from CRA.
1/25/2023	Anne Baptiste	Post disbursement.
1/25/2023	Brenda Wong	Discuss status with D. Weisz; emails with counsel re estimated fees to complete, and update calculation of "Cash Amount"; prepare cheque requisition and submit for payment processing.
1/25/2023	Daniel Weisz	Review Section 246(2) Report and related statement of receipts and disbursements, sign the Section 246(2) Report; review analysis re calculation of "Cash Amount" and discussion with B. Wong re status of the HST refunds and finalization of the receivership; process electronic payment.
1/30/2023	Brenda Wong	Make updates to the draft third report and revisions to updated Statement of Adjustments.
1/31/2023	Brenda Wong	Update estimate of fees to completion.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	1.4	\$ 595	\$ 833.00
Brenda Wong, CIRP, LIT	Senior Manager	5.8	\$ 485	2,813.00
Anne Baptiste/Donna Nishimura	Estate Administrator	1.8	\$ 110	198.00
Total hours and professional fees		<u>9.0</u>		\$ 3,844.00
HST @ 13%				499.72
Total payable				\$ 4,343.72

VISA/MASTERCARD

Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited

To RSM Canada Limited
 Court-Appointed Receiver of
 6532 & 6544 Winston Churchill Boulevard, Mississauga, ON
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

Date March 17, 2023

Client File 8363973

Invoice 11

No. 6935744

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-Appointed Receiver of 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "**Property**") for the period February 1, 2023 to March 15, 2023.

Date	Professional	Description
2/2/2023	Brenda Wong	Review summary of activities; update changes to Statement of Adjustments.
2/3/2023	Donna Nishimura	Prepare cheque requisition and submit for payment.
2/3/2023	Daniel Weisz	Review summary of activities; process electronic payment.
2/6/2023	Brenda Wong	Update fee estimate and email to D. Weisz re HST status.
2/6/2023	Daniel Weisz	Review estimated cost to complete and email to B. Wong re same; review file and draft email to B. Mestel of Garfinkle Biderman LLP and forward to B. Wong for comments; finalize email to B. Mestel and send.
2/7/2023	Anne Baptiste	Prepare bank reconciliation; preparation and filing of HST return.
2/16/2023	Anne Baptiste	Post disbursement.
2/16/2023	Daniel Weisz	Email to B. Mestel.
2/27/2023	Brenda Wong	Review email from B. Mestel re Gowlings' response; review HST status and email D. Weisz re same; email to L. Nielsen of Canada Revenue Agency re HST refunds to be released.
3/1/2023	Brenda Wong	Respond to emails from Ideal Group re insurance.
3/2/2023	Brenda Wong	Review and respond to email from Ideal Group re insurance coverage.
3/2/2023	Daniel Weisz	Review request from debtor's insurer and email to B. Wong re same; email to B. Wong re status of the Receiver's administration.
3/3/2023	Brenda Wong	Review and respond to email from Masters Insurance re Receiver's insurance.
3/6/2023	Brenda Wong	Review and respond to email from Masters Insurance.
3/7/2023	Anne Baptiste	Prepare bank reconciliation.
3/13/2023	Daniel Weisz	Email to J. Larry of Paliare Roland Rosenberg Rothstein LLP re finalization of the receivership administration.

Date	Professional	Description
3/14/2023	Brenda Wong	Update the Receiver's draft report; emails/discuss with D. Weisz re Statement of Re-adjustments and updating R&D.
3/14/2023	Daniel Weisz	Discussion with B. Wong re finalization of statement of adjustments; discussion with B. Mestel re same.
3/15/2023	Daniel Weisz	Work on updating report to court.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	3.7	\$ 595	\$ 2,201.50
Brenda Wong, CIRP, LIT	Senior Manager	1.6	\$ 485	776.00
Anne Baptiste/Donna Nishimura	Estate Administrator	0.9	\$ 110	99.00
Total hours and professional fees		<u>6.2</u>		\$ 3,076.50
HST @ 13%				399.95
Total payable				\$ 3,476.45

VISA/MASTERCARD

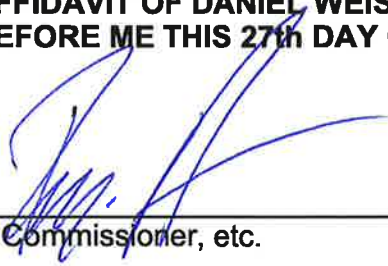
Payments can be made by calling the Accounts Receivable Department at 647.726.0483.

WIRE PAYMENT DETAILS

Please contact Donna Nishimura at 647.727.3552 for wire instructions.

Invoices are due upon receipt.
RSM Canada Limited

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN REMOTELY
BEFORE ME THIS 27th DAY OF MARCH, 2023.**



A Commissioner, etc.

Bryan Allan Tannenbaum,
a Commissioner, etc., Province of Ontario, for
RSM Canada LLP and RSM Canada Limited.
Expires February 4, 2024.

**In the Matter of the Receivership of
6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario**

**Summary of Receiver's Fees
For the Period June 1, 2022 to March 15, 2023**

Invoice Date	Period	Hours	Fees	HST	Total	Average Hourly Rate
5-Jul-22	June 1 to 30, 2022	41.2	\$ 23,032.00	\$ 2,994.16	\$ 26,026.16	\$ 559.03
2-Aug-22	July 1 to 31, 2022	38.8	19,562.00	2,543.06	22,105.06	504.18
7-Sep-22	August 1 to 31, 2022	9.3	4,368.50	567.91	4,936.41	469.73
2-Nov-22	September 1 to October 31, 2022	2.0	420.00	54.60	474.60	210.00
3-Feb-23	November 1, 2022 to January 31, 2023	9.0	3,844.00	499.72	4,343.72	427.11
17-Mar-23	February 1, 2023 to March 15, 2023	6.2	3,076.50	399.95	3,476.45	496.21
Total		106.5	\$ 54,303.00	\$ 7,059.40	\$ 61,362.40	\$ 509.89

EMPIRICAL CAPITAL INC.
Applicant

-and-

Court File No. CV-21-00672628-00CL
IDEAL (WC) DEVELOPMENTS INC.
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF DANIEL WEISZ

RSM CANADA LIMITED

Licensed Insolvency Trustee
11 King Street West, Suite 700, Box 27
Toronto, ON M5H 4C7
Tel: 416-480-0160
Fax: 416-480-2646

Daniel Weisz, Lic # 1889

Tel: 416-646-8778
daniel.weisz@rsmcanada.com

Court-appointed Receiver of 6532 & 6544
Winston Churchill Boulevard, Mississauga,
Ontario

TAB M

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

B E T W E E N:

EMPIRICAL CAPITAL CORP.

Applicant

-and-

IDEAL (WC) DEVELOPMENTS INC.

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 WENDY GREENSPOON-SOER

I, Wendy Greenspoon-Soer, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Partner at the law firm Garfinkle Biderman LLP, and I have personal knowledge of the matters to which I hereinafter refer.
2. Pursuant to the Order of the Honourable Madam Justice Dietrich dated, 11th day of January 2022 (the "Appointment Order"), RSM Canada Limited was appointed as the receiver (the "Receiver") without security, over the lands and premises known municipally as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario.
3. Pursuant to the Appointment Order, Garfinkle Biderman has provided services to and incurred disbursements on behalf of the Receiver. The detailed invoices attached hereto and marked as Exhibit "A" (the "Dockets") set out Garfinkle Biderman's fees and disbursements for

June 3, 2022 and from July 4, 2022, to July 12, 2022. The Dockets describe the services provided and the amounts charged by Garfinkle Biderman.


4. The following is a summary of the professional services are reflected in the Dockets, including hourly rates, fees billed, hours billed, and the average hourly rate charged by Garfinkle Biderman. The hourly rates charged are the usual hourly rates charged by Garfinkle Biderman for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Wendy Greenspoon-Soer	\$650.00/hr	1.8	\$1,170.00
Blair Mestel	\$545.00/hr	1.00	\$545.00
Total Fees			\$1,715.00
Total Disbursements			\$122.25
Total HST			\$238.85
Total			\$2,076.10

5. Inclusive of HST and disbursements, the total amount of the Dockets is \$2,076.10.

SWORN by Wendy Greenspoon-Soer of the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on March 27th, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

}


 Commissioner for Taking Affidavits


 Wendy Greenspoon Soer

This is Exhibit "A" referred to in the Affidavit of Wendy Greenspoon-Soer sworn by Wendy Greenspoon-Soer at the City of Toronto, in the Province of Ontario, before me on March 27, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

LANA BORENSTEIN

Matter Billing Guide
for Garfinkle Biderman LLP
as at 07 Jun 2022

Filtered by Matter - MAT63949
including Pre-Bill Items

Matter No.:	MAT63949	Client No.:	CNT12813
Matter Name:	Receivership Sale of 6532 and 6544 Winston Churchill Boulevard, Mississauga, Ontario		
Description:	-		
Client:	RSM Canada Limited	Department:	101 - General
Address:	11 King St. W., Suite 700, Box 27 Toronto	Owner:	Blair Mestel (44)
	ON	Current Owner:	Blair Mestel (44)
	M6H4C7	Legacy Ref:	12859003
		Date Opened:	04 Feb 22
Att:	-	Fee Schedule:	-
Client Ref:		Invoice Template:	09 - Reduced with Trust and A/R
Client Tax No.:	N/A	Discount:	0.00%
A/R:	0.00	Unbilled Fees:	12,727.50
Trust:	-700,000.00	Unbillable Fees:	0.00
Reserve Trust:	0.00	Unbilled Disb:	377.22
Investment:	0.00	Unbilled Time:	21.90
		Unbillable Time:	0.00
Last Invoice Date:	-	Last Billable Date:	03 Jun 22

Transfer Notes:

Discount Notes:

Fee Earner Summary

Code	Fee Earner	Time (hh)	Fees	Write U/D	Notes
2	Avrom Brown (2)	3.30	2,590.60		
44	Blair Mestel (44)	18.60	10,137.00		

Unbilled Fees

Date	FE	Activity	Description	Unit Type	Expl Code	Rate/Unit	Time (hh)	Amount	Tax	Total Incl
07 Feb 22	44	BW	To misc. correspondence and background from WHG and related matters and attendances;	T	-	545.00	0.50	272.50	35.43	307.93
07 Feb 22	2	BW	Review Listing Agreement and Confidentiality Agreement	T	-	785.00	1.00	785.00	102.05	887.05
08 Feb 22	44	BW	To receipt and review of draft APS from Danny Welsz; to call to AWB and confer with clerk	T	-	545.00	1.00	545.00	70.85	615.85
08 Feb 22	44	BW	To review of title to properties and preparation of title memos;	T	-	545.00	1.00	545.00	70.85	615.85
08 Feb 22	44	BW	To amendments to draft offer re: permitted encumbrances and expunged registrations;	T	-	545.00	1.00	545.00	70.85	615.85
08 Feb 22	2	20	Telephone Call With Danny -listing agreement confidentiality agreement	T	-	785.00	0.30	235.50	30.62	266.12
08 Feb 22	2	20	Telephone Call With Blair - APS	T	-	785.00	0.20	157.00	20.41	177.41

Unbilled Fees

Date	FE	Activity	Description	Unit Type	Expl Code	Rate/Unit	Time (hh)	Amount	Tax	Total Incl
14 Mar 22	44	BW	to misc. correspondence and conference call with AWB and Wendy; to review of draft order; to misc. revisions to APS and all related attendances and matters;	T	-	545.00	1.50	817.50	106.28	923.78
18 Mar 22	44	BW	To misc. correspondence from D. Welsz/B. Wong enclosing revised APS and request for further analysis and related matters and attendances;	T	-	545.00	0.40	218.00	28.34	246.34
20 Mar 22	44	BW	To further revisions to APS per Danny Welsz's comments and edits from Friday March 18, 2022; to misc. related correspondence;	T	-	545.00	1.50	817.50	106.28	923.78
12 May 22	44	BW	To misc. correspondence and related attendances re: delivery of GB wire instructions;	T	-	545.00	0.20	109.00	14.17	123.17
12 May 22	44	BW	To receipt of APS, Bank comfort letter and related items from Beth Mullins; to review of APS and Bank comfort letter and related matters and attendances;	T	-	545.00	1.00	545.00	70.85	615.85
12 May 22	44	BW	To receipt of confirmation of wired deposit from Jerry Drennan; to confer and confirm with accounting department;	T	-	545.00	0.30	163.50	21.26	184.76
24 May 22	44	BW	To correspondence form J. Larry enclosing offer and misc. correspondence and attendances;	T	-	545.00	0.20	109.00	14.17	123.17
24 May 22	44	BW	To review of executed offer and related matters and attendances; to misc. conference calls and correspondence; to confer with AWB	T	-	545.00	1.50	817.50	106.28	923.78
24 May 22	2	BW	Meeting with Blair; telephone call with Solicitor	T	-	785.00	1.00	785.00	102.05	887.05
25 May 22	2	BW	Discuss with Blair - APS	T	-	785.00	0.30	235.50	30.62	266.12
26 May 22	44	BW	To misc. calls and correspondence re: Susan Rosen	T	-	545.00	0.50	272.50	35.43	307.93
26 May 22	44	BW	To review of updated Dragon offer and edits and revisions; to correspondence to and from Receiver;	T	-	545.00	1.50	817.50	106.28	923.78
26 May 22	44	BW	To receipt and review of edits from Receiver re: v.3 offer; to call with D, Welsz re: proposed further changes;	T	-	545.00	0.80	436.00	56.68	492.68
26 May 22	44	BW	To draft and edit of v.4 offer and related misc. correspondence and attendances;	T	-	545.00	1.00	545.00	70.85	615.85
26 May 22	44	BW	To final draft and edits and calls and correspondence	T	-	545.00	1.50	817.50	106.28	923.78
27 May 22	2	21	Conference Call With Blair, Danny	T	-	785.00	0.50	392.50	51.03	443.53
30 May 22	44	BW	To misc. correspondence and calls re: offer and all related matters and attendances;	T	-	545.00	1.50	817.50	106.28	923.78
31 May 22	44	BW	To misc. correspondence with D. Welsz and all related matters and attendances;	T	-	545.00	0.70	381.50	49.60	431.10
03 Jun 22	44	BW	To misc. correspondence and searches re tax certificates and related matters and attendances; to report back to RSM;	T	-	545.00	1.00	545.00	70.85	615.85
Total Unbilled Fees							21.90	12,727.50	1,654.64	14,382.14

Unbilled Disbursements

Date	Activity	Description	Unit Type	Amount	Tax	Total Incl
07 Feb 22	E108	Postage/Email Charges	U	25.00	3.25	28.25
09 Feb 22	E118	Teranet Searches - Taxable 02/08/22	U	68.50	8.91	77.41
15 Mar 22	E118	Teranet Searches - Taxable 03/14/22	U	68.50	8.91	77.41
13 May 22	E124	Client Other - No Tax-Incoming wire charge	U	22.00	0.00	22.00
16 May 22	E124	Client Other - No Tax-Incoming wire charge	U	22.00	0.00	22.00
24 May 22	E101	Xerox 05/24/22 (100)	U	25.00	3.25	28.25
26 May 22	E124	Client Other - No Tax-outgoing wire charge	U	17.00	0.00	17.00
02 Jun 22	E124	Client Other - No Tax-outgoing wire charge	U	17.00	0.00	17.00
02 Jun 22	E118	Clearances - Real Estate - Taxable-City of Mississauga-Tax Certificate x2	U	110.00	14.30	124.30
03 Jun 22	E105	Long Distance & Fax-06/02/22	U	2.22	0.29	2.51
Total Unbilled Disbursements				377.22	38.91	416.13

Trust Statement

Date	Description	Debit	Credit	Balance
13 May 22	Received EFT from Drewlo Holdings Inc-05/12/22 - deposit	0.00	650,000.00	-650,000.00
16 May 22	Received EFT from 2769004 Ontario Inc-05/13/22 - deposit	0.00	100,000.00	-750,000.00
16 May 22	Received Direct Deposit from Grand Grace Development-05/12/22 - deposits	0.00	150,000.00	-900,000.00
20 May 22	Received EFT from Grand Grace Development - Deposit	0.00	550,000.00	-1,450,000.00
20 May 22	Received EFT from Grand Grace Development - Deposit - wrong payment method-reverse	550,000.00	0.00	-900,000.00
20 May 22	Received Direct Deposit from Grand Grace Development - Deposit	0.00	550,000.00	-1,450,000.00
26 May 22	tsf fr 0496333 to 5260596	1,450,000.00	0.00	0.00
26 May 22	Received EFT from GB-tsf fr 0496333 to 5260596 -	0.00	1,450,000.00	-1,450,000.00
26 May 22	Wire to 2769004 Ontario Inc-return of proceeds-Winston Churchill sale	100,000.00	0.00	-1,350,000.00
02 Jun 22	Wire to Drewlo Holdings Inc-return of deposit-Winston Churchill	650,000.00	0.00	-700,000.00
Total		2,750,000.00	3,450,000.00	-700,000.00

ACCOUNT

RSM Canada Limited
11 King St. W., Suite 700, Box 27 Toronto
ON
M5H4C7

Account Name	Receivership of 6532 and 6544 Winston Churchill Blvd.		
Your Ref		Invoice No.	INV01-4396
Our Ref	13/MAT63794/12859002	Date	13 Jul 2022
Account No.	MAT63794/CNT12813	Page	1 of 2

Date	Description	FE	Time	Amount excl. HST
------	-------------	----	------	------------------

TO PROFESSIONAL SERVICES RENDERED with respect to the above matter

04 Jul 22	E-Mail from Blair	13	0.10	\$ 65.00
07 Jul 22	E-Mail from Rama	13	0.10	\$ 65.00
08 Jul 22	E-Mail from Weisz	13	0.10	\$ 65.00
08 Jul 22	Conference Call With Mestel and Weisz	13	0.40	\$ 260.00
08 Jul 22	Miscellaneous emails with Weisz, Larry, and Mestel	13	0.20	\$ 130.00
11 Jul 22	Miscellaneous: Review documents for BM	13	0.20	\$ 130.00
11 Jul 22	Miscellaneous: Review assumption agreements	13	0.10	\$ 65.00
11 Jul 22	Miscellaneous calls/meetings with Blair re; filing Rec.'s certificate	13	0.20	\$ 130.00
11 Jul 22	Miscellaneous: Arrange to file closing certificate	13	0.20	\$ 130.00
12 Jul 22	Miscellaneous re: filing Rec. certificate	13	0.20	\$ 130.00
TOTAL FEES				\$ 1,170.00

DISBURSEMENTS

08 Jun 22	Xerox			\$ 1.75
08 Jun 22	Xerox			\$ 0.50
12 Jul 22	Profile Legal Services Inc in#173987-7/12/22			\$ 120.00
TOTAL DISBURSEMENTS				\$ 122.25

TOTAL FEES AND DISBURSEMENTS **\$ 1,292.25**

TOTAL HST @ 13.00% **\$ 168.00**

TOTAL DUE ON THIS INVOICE **\$ 1,460.25**

Account No.	MAT63794/CNT12813	Invoice No.	INV01-4396	Date	13 Jul 2022	Page	2 of 2
-------------	-------------------	-------------	------------	------	-------------	------	--------

Garfinkle Biderman LLP



Wendy Greenspoon-Soer (13)

Empirical Capital Corp.
Applicant

and

Ideal Developments (WC) Inc.
Respondent

Court File No. CV-21-00672628-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
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
Proceeding commenced at Toronto

AFFIDAVIT OF WENDY GREENSPOON-SOER

GARFINKLE BIDERMAN LLP
Barristers & Solicitors
1 Adelaide Street East, Suite 801
Toronto, Ontario
M5C 2V9

Wendy Greenspoon-Soer – LSO#: 34698L
Email: wgreenspoon@garfinkle.com

Tel: 416-869-1234
Fax: 416-869-0547

Lawyers for the Receiver,
RSM Canada Limited

File Number: 12859-002

TAB N

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

BETWEEN:

EMPIRICAL CAPITAL CORP.

Applicant

and

IDEAL (WC) DEVELOPMENTS INC.

Respondent

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, and under
section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended

**AFFIDAVIT OF BEATRICE LOSCHIAVO
(Sworn March 22, 2023)**

I, Beatrice Loschiavo, of the Town of Toronto, in the Province of Ontario, **MAKE
OATH AND SAY:**

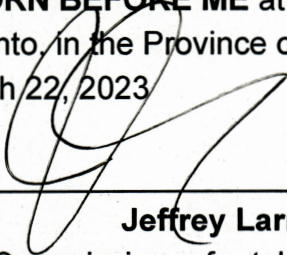
1. I am an assistant at the law firm of Paliare Roland Rosenberg Rothstein LLP (**"Paliare Roland"**). I have personal knowledge of the matters to which I hereinafter refer.
2. Pursuant to an Order of this court dated January 11, 2022, RSM Canada Limited (the **"Receiver"**) was appointed as receiver over the lands and premises known municipally as 6532 & 6544 Winston Churchill Boulevard, Mississauga, Ontario owned by Ideal (WC) Developments Inc.

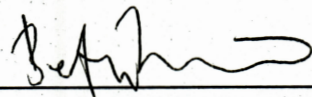
3. Paliare Roland has provided legal services to and incurred disbursements on behalf of the Receiver. The detailed invoices attached hereto and marked as **Exhibit "A"** are dockets (the "**Dockets**") which set out Paliare Roland's fees and disbursements from June 1, 2022 to July 31, 2022. The Dockets describe the services provided and the amounts charged by Paliare Roland.
4. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate charged by Paliare Roland. The hourly rates charged are the usual hourly rates charged by Paliare Roland for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Jeff Larry, Partner, 2001 Call	\$845/hr	22.3	\$18,843.50
Subtotal		22.3	\$18,843.50

5. Inclusive of HST and disbursements, the total amount of the Dockets are **\$21,782.66.**

SWORN BEFORE ME at the City of)
 Toronto, in the Province of Ontario on)
 March 22, 2023)


 _____)
Jeffrey Larry)
 A Commissioner for taking Affidavits)



BEATRICE LOSCHIAVO

EXHIBIT “A”



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

416.646.4300
paliareroland.com

Private and Confidential
Daniel Weisz
RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto, Ontario M5H 4C7

June 30, 2022
Invoice No.: 112056
Our File No.: 6595-99656

RE: Ideal (WC) Development Inc. et al.

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending June 30, 2022:

Total Fees	\$ 17,641.50
Non Taxable Disbursements	320.00
Total HST	<u>2,293.40</u>
INVOICE TOTAL	<u><u>\$ 20,254.90</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per:

Jeffrey Larry



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

416.646.4300
paliareroland.com

Private and Confidential
Daniel Weisz
RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto, Ontario M5H 4C7

June 30, 2022
Invoice No.: 112056
Our File No.: 6595-99656

RE: Ideal (WC) Development Inc. et al.

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending June 30, 2022:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
05/06/22	JL	Review and comment on Receiver's report;	845.00	0.90	760.50
06/06/22	JL	Further revisions to report; prepare for motion;	845.00	1.10	929.50
10/06/22	JL	Finalize draft Notice of Motion and Orders; correspondence with RSM;	845.00	1.70	1,436.50
13/06/22	JL	Call with D. Weisz; finalize materials for motion record;	845.00	0.80	676.00
14/06/22	JL	Finalize revisions to motion record; call with D. Weisz; call with M Bradt;	845.00	0.60	507.00
15/06/22	JL	Correspondence with Receiver; review correspondence with Minden Gross;	845.00	0.70	591.50
16/06/22	JL	Email to A. Herschorn; correspondence with D. Weisz;	845.00	0.40	338.00
20/06/22	JL	Prepare factum; review and comment on supplemental report; correspondence with D. Weisz; call with A. Herschorn; prepare NDA;	845.00	3.30	2,788.50

ERRORS AND OMISSIONS EXCLUDED TERMS: DUE UPON RECEIPT. AMOUNTS ARE STATED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED.
INTEREST AT THE RATE OF 0.5% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS NOT PAID WITHIN ONE MONTH FROM THE DATE OF THIS INVOICE.
HARMONIZED SALES TAX REGISTRATION NUMBER 88366 4518 RT 0001

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
21/06/22	JL	Drafting factum; call with D. Weisz; review new affidavit; email correspondence;	845.00	2.40	2,028.00
22/06/22	JL	Finalize factum; revisions to Supplemental Report; call with D. Weisz; organize and arrange for motion; update draft Orders;	845.00	2.10	1,774.50
23/06/22	JL	Prepare for hearing; calls and correspondence; finalize factum and supplemental report; calls with counsel;	845.00	1.90	1,605.50
24/06/22	JL	Prepare for and attend on motion; legal research; further submissions;	845.00	4.80	4,056.00
24/06/22	FN	Urgent research task for J. Larry;	250.00	0.60	150.00

TIME SUMMARY

MEMBER	HOURS	RATE	VALUE
Larry, Jeffrey (JL)	20.70	845.00	17,491.50
Nasca, Frank (FN)	0.60	250.00	150.00
	<u>21.30</u>		

OUR FEES \$ 17,641.50
 HST at 13% 2,293.40

Non Taxable Disbursements:

15/06/22 Filing Fee Re: Superior Court of Justice Toronto, confirmation 320.00
 940592, Motion Record Voucher No. 30371 for Invoice No.
 23720647-MAG issued by: (130)CIBC

INVOICE TOTAL

\$ 20,254.90



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

416.646.4300
paliareroland.com

Private and Confidential
Daniel Weisz
RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto, Ontario M5H 4C7

June 30, 2022
Invoice No.: 112056
Our File No.: 6595-99656

RE: Ideal (WC) Development Inc. et al.

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 17,641.50
Non Taxable Disbursements	320.00
Total HST	<u>2,293.40</u>
INVOICE TOTAL	<u><u>\$ 20,254.90</u></u>



35th Floor
155 Wellington St. West
Toronto, Ontario M5V 3H1
Canada

416.646.4300
paliareroland.com

Private and Confidential
Daniel Weisz
RSM Canada Limited
11 King Street West, Suite 700
Box 27
Toronto, Ontario M5H 4C7

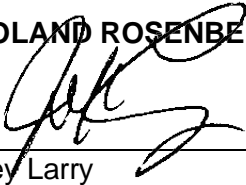
July 31, 2022
Invoice No.: 112779
Our File No.: 6595-99656

RE: Ideal (WC) Development Inc. et al.

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending July 31, 2022:

Total Fees	\$ 1,352.00
Total HST	175.76
	<hr/>
INVOICE TOTAL	<u><u>\$ 1,527.76</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per: 
Jeffrey Larry

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending July 26, 2022:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
07/07/22	JL	Review documents re closing; consider release and assumption of debt issue;	845.00	0.30	253.50
08/07/22	JL	Review documents and correspondence with D. Weisz;	845.00	0.40	338.00
09/07/22	JL	Correspondence with D. Weisz;	845.00	0.10	84.50
25/07/22	JL	Correspondence with purchaser; call to purchaser; review correspondence;	845.00	0.30	253.50
26/07/22	JL	Prepare for and call with D. Weisz;	845.00	0.50	422.50

TIME SUMMARY

MEMBER	HOURS	RATE	VALUE
Larry, Jeffrey (JL)	1.60	845.00	1,352.00
	1.60		
OUR FEES			\$ 1,352.00
HST at 13%			175.76
INVOICE TOTAL			\$ 1,527.76

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 1,352.00
Total HST	<u>175.76</u>
INVOICE TOTAL	<u><u>\$ 1,527.76</u></u>

EMPIRICAL CAPITAL CORP.

IDEAL (WC) DEVELOPMENTS INC.

-and-

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

AFFIDAVIT OF BEATRICE LOSCHIAVO

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West

35th Floor

Toronto, ON M5V 3H1

Tel: 416.646.4300

Fax: 416.646.4301

Jeffrey Larry (LSO# 44608D)

Tel: 416.646.4330

jeff.larry@paliaroland.com

Lawyers for the Respondent

EMPIRICAL CAPITAL CORP.

-and-

IDEAL (WC) DEVELOPMENTS INC.

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD OF THE RECEIVER

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

155 Wellington Street West
35th Floor
Toronto, ON M5V 3H1
Tel: 416.646.4300

Jeffrey Larry (LSO# 44608D)

Tel: 416.646.4330
jeff.larry@paliareroland.com

Lawyers for the Receiver