



RSM Canada Limited
Licensed Insolvency Trustee

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

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

BETWEEN:

CITY OF TORONTO

Applicant

-and-

HARRY SHERMAN CROWE HOUSING CO-OPERATIVE INC.

Respondent

THIRD QUARTERLY REPORT OF THE RECEIVER

DECEMBER 14, 2023

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated March 14, 2023 (the “**Appointment Order**”), RSM Canada Limited (“**RSM**”) was appointed receiver and manager (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Harry Sherman Housing Co-operative Inc. (“**HSC**” or the “**Co-op**”) acquired for, or used in relation to a business carried on by HSC, including all proceeds thereof (the “**Property**”). A copy of the Appointment Order can be found on the Receiver’s website located at <http://www.rsmcanada.com/harry-sherman-crowe-housing-co-op>.

2. The Appointment Order authorizes the Receiver to, among other things:
 - (a) take possession 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) manage, operate, and carry on the business of the Co-op, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Co-op;

- (d) engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by the Appointment Order; and
 - (e) receive and collect all monies and accounts now owed or hereafter owing to HSC and to exercise all remedies of HSC in collecting such monies, including, without limitation, to enforce any security held by the HSC.
3. Paragraphs 12 and 13 of Appointment Order require the Receiver to:
- (a) provide quarterly updates to the Applicant Service Manager, which reports shall be shared with the Respondent and its members, to update the Service Manager and, through it, the Housing Provider and its membership, of the actions taken and decisions made by the Receiver in respect of the Property, provided that the information included in such reports shall be in the sole discretion of the Receiver; and
 - (b) provide an annual report to the Court, the purpose of which is to advise the Court of the actions taken and decisions made by the Receiver under its appointment.
4. The Appointment Order, together with Court documents related to the receivership proceeding, has been posted on the Receiver's website, which can be found at <http://www.rsmcanada.com/harry-sherman-crowe-housing-co-op>.

5. In accordance with paragraph 2 (d) of the Appointment Order, the Receiver has retained Blaney McMurtry LLP (“**Blaneys**”) as its independent legal counsel for this receivership proceeding.

PURPOSE OF THE THIRD REPORT

6. The purpose of this third quarterly report of the Receiver (the “**Third Quarterly Report**”) is to update the Service Manager and, through it, the Housing Provider and its membership, of the actions taken and decisions made by the Receiver in respect of the Property.

TERMS OF REFERENCE

7. In preparing this Third Quarterly Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the “**Information**”). Certain of the information contained in the Third Quarterly Report may refer to, or is based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

8. Unless otherwise stated, all dollar amounts contained in the Third Quarterly Report are expressed in Canadian dollars.

BACKGROUND

9. The background leading up to the appointment of the Receiver can be found in the City of Toronto's application record dated November 10, 2022, which is posted on the Receiver's website at <http://www.rsmcanada.com/harry-sherman-crowe-housing-co-op>.

RECEIVER'S ACTIVITIES TO DATE

10. Please refer to the Receiver's First Quarterly Report dated June 13, 2023 and Second Quarterly Report dated September 18, 2023 (posted on the Receiver's website) that sets out the Receiver's Activities from the date of its appointment to September 18, 2023. These activities are not repeated herein and we set out below a summary of the Receiver's activities since September 18, 2023, as follows:
 - (a) attending to urgent maintenance and repairs in various units, including pest control, plumbing, flooring, cabinet/countertop and heating issues;
 - (b) attending to various common area and mechanical systems repairs and maintenance, including elevators, parking garage exhaust fans and sprinkler room;
 - (c) reviewing and approving quotes for snow removal and execution of contract for same;

- (d) responding to the City of Toronto's (the "**City**") Canada-Ontario Community Housing Initiative ("**COCHI**") team with respect to questions relating to capital repairs budget submitted to the City;
- (e) completing the Co-op's GST 523 form and rebate applications for the period July 1, 2021 to September 30, 2021 and October 1, 2021 to December 31, 2021. Submitting the Co-op's GST 523 form and re-submitting rebate applications to Canada Revenue Agency ("**CRA**") on the basis that the prior rebate submission for July 1, 2021 to December 31, 2021 was rejected by CRA;
- (f) corresponding with CRA in respect of the Co-op's RT0001 account and GST 523 form;
- (g) working with a roofing trade to patch an open area of the Co-op's roof membrane as a temporary measure prior to receiving capital repairs funding from the City;
- (h) working with Community First Developments Inc. ("**CFDI**") and the Co-op's auditor to finalize and issue the audited financial statements and file with CRA the Co-op's income tax return for the year ended June 30, 2022;
- (i) working with CFDI to engage a new auditor for completion of the audited financial statements for the year ended June 30, 2023;
- (j) attending to unit inspections to review in-suite items to be addressed and/or repaired;


- (k) completing and filing the Receiver's semi-annual report with the Office of the Superintendent of Bankruptcy pursuant to S. 246(2) of the *Bankruptcy and Insolvency Act* (Canada);
- (l) attending to various calls and emails with the Co-op's insurance broker with respect to the 2024 insurance renewal;
- (m) reviewing email from the City confirming approved capital repairs projects, including reviewing COCHI template agreement;
- (n) corresponding with CHF Canada regarding membership dues to be paid and confirmation of amount to be paid;
- (o) working with CFDI with respect to its preparation of monthly financial statements, review of rental arrears reports and tenant issues;
- (p) monitoring the Co-op's operating bank account (the "**Operating Account**") to which residents make payments for monthly housing and parking charges by debit machine or electronic funds transfers; follow up of tenants returned items from the bank reports, periodically sweep the Operating Account and transfer funds to the Receiver's trust account;
- (q) continuing to review and approve accounts payable and attended to making payments to, among others, various trades, professionals and suppliers, including York University, for provision of goods and services and monthly mortgage payments to MCAP;

- (r) attending several Notice to Appear meetings with CFDI and various residents whose housing charges are in arrears; and
- (s) attending to all other administrative matters with respect to the receivership administration, including supervision, all meetings, telephone and virtual attendances and written and verbal correspondence to facilitate the forgoing.

11. All of which is respectfully submitted this 14th day of December, 2023.

RSM CANADA LIMITED

solely in its capacity as Receiver of Harry
Sherman Crowe Housing Cooperative Inc.
and not in its personal or corporate capacity

Per: 
Arif Dhanani, CPA, CA, CIRP, LIT
Vice-President