

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

**APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION**

Respondent

**FOURTH REPORT OF THE RECEIVER AND LIQUIDATOR OF
APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION**

October 22, 2021

Table of Contents

I. INTRODUCTION.....	1
II. BACKGROUND AND APPOINTMENT OF RECEIVER.....	5
III. PAYMENT OF INTERIM DISTRIBUTION.....	6
IV. WIND-UP OF ALPHA	7
V. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS ..	8
VI. PROPOSED FINAL DISTRIBUTION	8
VII. PROFESSIONAL FEES.....	10
VIII. DISCHARGE OF THE RECEIVER	11
IX. CONCLUSION	11

Appendices

Appointment Order	A
First Report (without appendices)	B
Approval and Vesting Order	C
November 14 Ancillary Order	D
Endorsement of Justice Wilton-Siegel.....	E
Second Report (without appendices)	F
Claims Process Order	G
September 19 Ancillary Order	H
Third Report (without appendices)	I
January 4 Order and Endorsement	J
Interim Statement of Receipts and Disbursements	K
Affidavit of Daniel Weisz.....	L
Affidavit of Linda Godel	M

I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 5, 2018 (the “**Appointment Order**”), RSM Canada Limited (“**RSM**”) was appointed receiver and liquidator (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Apartments for Living for Physically Handicapped Association (“**ALPHA**”) including all proceeds thereof (the “**Property**”) for the purpose of winding up ALPHA’s affairs and distributing its property. A copy of the Appointment Order is attached to this report as **Appendix “A”**.
2. At the time of the appointment of the Receiver, the principal asset owned by ALPHA was a one-storey, 13-unit apartment complex located at 3185 Forest Glade Drive, Windsor, Ontario (the “**Windsor Property**”) from which ALPHA had formerly operated its facility. On November 8, 2018, the Receiver brought a motion, returnable on November 14, 2018, for the purpose of, among other things, seeking approval of the sale of the Windsor Property. A copy of the Receiver’s First Report to the Court dated November 8, 2018 (“**First Report**”), filed in support of the Receiver’s November 14, 2018 motion, is attached hereto (without appendices) as **Appendix “B”**.
3. On November 14, 2018, Justice Wilton-Siegel granted an Approval and Vesting Order in respect of the sale of the Windsor Property (the “**Approval and Vesting Order**”) together with an order granting certain ancillary relief (the “**November 14 Ancillary Order**”). Copies of the Approval and Vesting Order, November 14

Ancillary Order and Justice Wilton-Siegel's November 14, 2018 Endorsement are attached to this report as **Appendices "C"** and **"D"** and **"E"**, respectively.

4. On September 4, 2019, the Receiver brought a motion, returnable on September 19, 2019, for the purpose of, among other things, seeking authorization for the Receiver to conduct a claims process (the **"Claims Process"**) consistent with that which is set out in its second report to the Court dated September 4, 2019 (the **"Second Report"**). A copy of the Second Report is attached hereto (without appendices) as **Appendix "F"**.
5. On September 19, 2019, Justice Hainey granted the Claims Process Order authorizing and directing the Receiver to conduct the Claims Process, together with an order granting certain ancillary relief (the **"September 19 Ancillary Order"**). Copies of the Claims Process Order and September 19 Ancillary Order are attached hereto as **Appendices "G"** and **"H"**, respectively.
6. On December 23, 2020, the Receiver brought a motion, returnable on January 4, 2021, for the purpose of, among other things, seeking authorization for the Receiver to make an interim distribution to Canada Mortgage and Housing Corporation (**"CMHC"**). The Receiver's third report to the Court dated December 23, 2020 (the **"Third Report"**) in support of its motion is attached hereto (without appendices) as **Appendix "I"**.
7. On January 4, 2021, Justice Gilmore granted an order (the **"January 4 Order"**) authorizing the Receiver to pay to CMHC an amount equal to the Adjusted CMHC Discharge Amount, as defined in the Third Report. Copies of the January 4 Order and the Endorsement of Justice Gilmore are attached hereto as Appendix **"J"**.

-
8. The First Report, the Second Report, the Third Report and the orders referred to in this report, together with related Court documents, have been posted on the Receiver's website, which can be found at *rsmcanada.com/alpha*.

Purpose of Fourth Report

9. The purpose of this fourth report of the Receiver (the "**Fourth Report**") is to:
- (a) report to the Court on the activities of the Receiver since the date of the Third Report;
 - (b) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period July 5, 2018 to September 30, 2021 (the "**R&D**"); and
 - (c) seek an Order:
 - i. approving the Fourth Report and the Receiver's conduct and activities described herein;
 - ii. approving the R&D;
 - iii. authorizing the Receiver to complete the Remaining Duties;
 - iv. authorizing the payment of the Distribution Funds to CRA and the Province;
 - v. approving the fees and disbursements of the Receiver for the period December 1, 2020 to September 30, 2021 and the Receiver's estimate of its fees from October 1, 2021 to completion of the receivership proceedings;
 - vi. approving the fees and disbursements of the Receiver's legal counsel, Torkin Manes LLP ("**Torkin**"), for the period

December 1, 2020 to October 21, 2021 and Torkin's estimate of its fees from October 22, 2021 to completion of the receivership proceedings;

- vii. discharging the Receiver upon the Receiver filing a certificate with the Court confirming that the Receiver has completed the Remaining Duties (the "**Receiver's Discharge Certificate**") and authorizing the Receiver to complete certain administrative matters following the discharge of the Receiver;
- viii. authorizing the Receiver to make the Final Distribution (as defined later herein), if any; and
- ix. authorizing the Receiver to pay the Surplus Funds Distribution (as defined later herein), if any.

Terms of Reference

10. In preparing this Fourth Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in this 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 CPA

Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

11. Defined terms in the Fourth Report have, unless indicated otherwise herein, the same meanings as set out in the First Report, the Second Report and the Third Report.
12. Unless otherwise stated, all dollar amounts contained in the Fourth Report are expressed in Canadian dollars.

II. BACKGROUND AND APPOINTMENT OF RECEIVER

13. ALPHA is a corporation without share capital formed in 1971 under the Corporations Act for the purpose of operating a social housing project (the “**ALPHA Housing Project**”) and providing an attendant care program to assist low and moderate-income special needs individuals in performing the activities of daily living. ALPHA operated the ALPHA Housing Project at the Windsor Property.
14. In 1994, ALPHA announced that it was terminating its attendant care program for residents at the ALPHA Housing Project, that ALPHA intended to cease operations and that it had been unable to make arrangements for a replacement care provider. As a result, in March 1994, the Ministry of Health and Long-Term Care (“**MOHLTC**”) assumed control of the affairs of ALPHA and the ALPHA Housing Project.
15. In 2012, MOHLTC determined that the Windsor Property was no longer suitable for the purposes of the ALPHA Housing Project. As a result, ALPHA’s residents were moved into alternative accommodations, ALPHA and the ALPHA Housing Project ceased business operations, and the Windsor Property was vacated.

-
16. Throughout the period since the cessation of ALPHA's business operations, the Applicant, Her Majesty the Queen in Right of Ontario (the "**Province**"), continued to fund ALPHA's ongoing liabilities and expenses, including payments due under ALPHA's mortgage with CMHC and maintenance costs associated with the upkeep of the Windsor Property.
 17. As the Applicant no longer wished to continue to fund payment of ALPHA's ongoing liabilities and expenses, and for other reasons, the Applicant sought an order seeking the appointment of a receiver and liquidator to sell the Windsor Property, apply any available proceeds realized from ALPHA's assets to the repayment of ALPHA's liabilities and to wind up ALPHA.
 18. As referenced previously, the Appointment Order, in which RSM was appointed as the Receiver of ALPHA, was granted on July 5, 2018.
 19. As at the date of the Receiver's appointment, ALPHA was no longer an operating entity, had no employees or persons under its care, all directors and members of ALPHA had resigned and/or departed such that no former members or directors of ALPHA maintained any role or participation in the administration or affairs of ALPHA, and the Windsor Property was vacant.
 20. ALPHA's assets were, at the time of the Receiver's appointment, comprised of the Windsor Property, cash on hand and investments.

III. PAYMENT OF INTERIM DISTRIBUTION

21. As referenced in the Second Report, the sale of the Windsor Property was completed in November 2018. Following completion of the Claims Process, and in accordance with the January 4 Order, on January 4, 2021, the Receiver paid to

CMHC \$508,748.42 representing the outstanding amount owed to CMHC by ALPHA under CMHC's mortgage over the Windsor Property.

IV. WIND-UP OF ALPHA

22. The Third Report set out that on December 19, 2020, counsel for the Province asked the Receiver to investigate the feasibility and costs associated with performing a formal wind up and dissolution of ALPHA. In this regard, the Receiver requested that it be afforded time to consult with its counsel with respect to the logistics of obtaining a wind up of ALPHA given its corporate status, particular circumstances, and status as a former non-share corporation whose charitable status has been subsequently revoked.
23. Torkin Manes conducted a review of matters relevant to the completion of a formal wind-up of ALPHA and completed certain diligence in this regard, including without limitation:
- i) review of the corporate governance structure of ALPHA, including a review of its letters patent and by-laws;
 - ii) review of relevant legislation respecting implications of revocation of charitable status;
 - iii) communications with the Office of the Public Guardian and Trustee with respect to ALPHA's receivership proceedings and potential issues re the wind up of ALPHA;
 - iv) review of process, procedures and steps necessary to facilitate the dissolution and winding up of ALPHA and all necessary filings; and

-
- v) review of the *Income Tax Act* and *Ontario Corporations Act* requirements re retention of records for a dissolved corporation and compliance issues re same.
24. Torkin Manes has advised the Receiver that it is of the view that while a wind up of ALPHA can be completed, in order to complete the steps necessary to effect the wind up, an additional reserve of \$10,000 over the current projected costs to completion will be necessary. As there are no surplus funds in the estate, the costs associated with completing a potential wind up will result in a corresponding reduction to the distribution otherwise available to ALPHA's two unsecured creditors, CRA and the Province.
25. The Province has advised that in light of the additional costs of effecting the wind-up and the impact of same on the available distribution to unsecured creditors, the Province is content to have the receivership terminated without a formal winding up of ALPHA being undertaken.

V. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

26. Attached to this report as **Appendix "K"** is the R&D. During this period, receipts were \$1,236,003 while disbursements were \$458,775, resulting in a net cash balance of \$777,228. After payment of the interim distribution to CMHC, the net funds in the possession of the Receiver were \$268,480 as of September 30, 2021.

VI. PROPOSED FINAL DISTRIBUTION

27. As set out above, the excess of the Receiver's receipts over disbursements as of September 30, 2021 is \$268,480. After deduction of a holdback of \$27,379 on

account of the estimated fees of the Receiver and its counsel to completion of the receivership administration (the “**Holdback Funds**”), the estimated balance of the funds available for distribution are \$241,101 (the “**Distribution Funds**”).

28. In the Third Report, the Receiver reported that the two unsecured claims against ALPHA that had been identified during the Claims Process totaled \$252,531.44, as follows:
- i) Canada Revenue Agency (“**CRA**”) for \$7,200.58, including penalties and interest to October 13, 2020; and
 - ii) the Province for \$239,600 plus interest of \$5,730.86.
29. At this time, the Receiver is seeking an Order authorizing the Receiver to distribute the Distribution Funds to CRA and the Province on a pro-rata basis in accordance with the amounts of their claims, as well as payment of any additional funds, if any, remaining in the estate of ALPHA which may be available for distribution after payment of the Receiver’s Accounts and the Torkin Accounts, provided that the total amount distributed to either CRA or the Province does not exceed the total amount of the indebtedness owed to them by ALPHA (the “**Final Distribution**”).
30. In the unlikely event that the Receiver receives additional funds such that the amounts owing to CRA and the Province are repaid in full and the Final Fees (as defined herein) of the Receiver and its counsel are fully paid (the “**Surplus Funds**”), the Receiver is also seeking an Order authorizing the Receiver to pay the Surplus Funds to a registered charity or not-for-profit entity having similar charitable objects as ALPHA (the “**Surplus Funds Distribution**”) provided that the

Surplus Funds do not exceed \$10,000, in which case the Receiver will return to Court and seek advice and directions respecting same.

VII. PROFESSIONAL FEES

31. The Receiver's accounts total \$12,598.00 in fees, \$12.86 in disbursements plus HST of \$1,639.41 for a total amount of \$14,250.27 for the period December 1, 2020 to September 30, 2021 (the "**Receiver's Invoices**"). The Receiver's unpaid and/or unbilled fees to October 19, 2021 are \$3,147.06 (inclusive of HST). The Receiver estimates that its fees from October 20, 2021 to finalization of the receivership administration will be \$8,475.00 inclusive of HST for a total estimate to completion of \$11,622.06 (together with the Receiver's Invoices, the "**Receiver's Accounts**"). Copies of the Receiver's Invoices, setting out the total billable hours charged per the accounts, are attached to the Affidavit of Daniel Weisz sworn October 19, 2021 that is attached to this report as **Appendix "L"**.
32. The accounts of the Receiver's counsel, Torkin, total \$8,980.48 in fees and disbursements and \$1,125.87 in HST for a total of \$10,106.35 (the "**Torkin Invoices**") for the period December 1, 2020 to October 21, 2021. Torkin estimates that its fees from October 22, 2021 to finalization of the receivership administration will be \$5,650.00 inclusive of HST (together with the Torkin Invoices, the "**Torkin Accounts**"). Copies of the Torkin Invoices, together with a summary of the personnel, hours and hourly rates described in the Torkin Invoices, supported by the Affidavit of Linda Godel sworn October 22, 2021 is attached to this report as **Appendix "M"**.

33. The Receiver's Accounts, the Torkin Accounts and the fees or expenses incurred by the Receiver or its counsel in completion of the Remaining Duties, provided such fees and expenses do not exceed the Holdback Funds amount, are collectively hereinafter referred to as, the "**Final Fees**".

VIII. DISCHARGE OF THE RECEIVER

34. As of the date of this Fourth Report, the Receiver's remaining duties (the "**Remaining Duties**") are comprised of:

- i) finalization of materials for and attendance in Court in respect of the Receiver's discharge motion;
- ii) payment of the Distribution Funds to CRA and the Province; and
- iii) payment of the Final Fees.

35. 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 discharging RSM from the powers, duties and obligations attendant to its appointment as Receiver upon the 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 including, but not limited to, the Remaining Duties.

IX. CONCLUSION

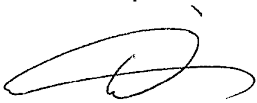
36. The Receiver respectfully requests that the Court grant an Order which provides for the following:

-
- (i) authorizing the payment of the Distribution Funds to CRA and the Province;
 - (ii) authorizing the Receiver to complete the Remaining Duties;
 - (iii) approving the Fourth Report and the Receiver's conduct and activities described herein;
 - (iv) approving the Receiver's Accounts, the Torkin Accounts and authorizing the Receiver to pay the Final Fees;
 - (v) approving the R&D;
 - (vi) discharging the Receiver upon the Receiver filing the Receiver's Discharge Certificate with the Court;
 - (vii) authorizing the Receiver to make the Final Distribution; and
 - (viii) authorizing the Receiver to pay the Surplus Funds Distribution.

All of which is respectfully submitted to this Court as of this 22nd day of October, 2021.

RSM CANADA LIMITED

In its capacity as Court Appointed Receiver and Liquidator of
Apartments for Living for Physically Handicapped Association
and not in its personal capacity



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

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



THE HONOURABLE)

JUSTICE HAINES)

BETWEEN :

THURSDAY, THE 5TH

DAY OF JULY, 2018

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

APARTMENTS FOR LIVING FOR PHYSICALLY HANDICAPPED ASSOCIATION

Respondent

APPLICATION FOR A WINDING-UP ORDER AND THE APPOINTMENT OF A RECEIVER AND LIQUIDATOR PURSUANT TO THE *CORPORATIONS ACT*, R.S.O. 1990, c.C.38 AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C.43

ORDER

THIS APPLICATION made by the Applicant, Her Majesty the Queen in right of Ontario (“**Ontario**”), for an Order winding up Apartments For Living For Physically Handicapped Association (“**ALPHA**”) pursuant to section 243(d) of the *Corporations Act*, R.S.O. 1990, c. C. 38, as amended (the “*Corporations Act*”) and appointing RSM Canada Limited as receiver and liquidator, without security, of all of the assets, undertakings and properties of ALPHA pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, and section 246(1) of the *Corporations Act*, for the purpose of winding up ALPHA’s affairs and distributing its property (in such capacities, the “**Receiver**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Miriam Johnston, sworn April 12, 2018, and the Exhibits thereto, and on hearing the submissions of counsel for Ontario, no one appearing for ALPHA on whom service of the Application Record was attempted on May 25, 2018 but whose address was found closed and vacant according to the Affidavit of Ernest Holden, sworn May 26, 2018, 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 Applicant's Application Record, Factum and Book of Authorities is hereby validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT DECLARES** that ALPHA is a corporation governed by the *Corporations Act* and that it is just and equitable that ALPHA be wound up by this Court under the provisions of the *Corporations Act*.

WINDING UP & APPOINTMENT OF RECEIVER

3. **THIS COURT ORDERS** that pursuant to sections 243(d) and 245 of the *Corporations Act*, ALPHA be wound-up in accordance with the terms of this Order.
4. **THIS COURT ORDERS** that pursuant to section 246(1) of the *Corporations Act* and section 101 of the *Courts of Justice Act*, RSM Canada Limited is hereby appointed receiver and liquidator, without security, of all of the assets, undertakings and properties of ALPHA, including all proceeds thereof (the "**Property**") for the purpose of winding up ALPHA's affairs and distributing its Property.

RECEIVER'S POWERS

5. **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, operate, and carry on the business of ALPHA, 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 ALPHA;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of ALPHA or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to ALPHA and to exercise all remedies of ALPHA in collecting such monies, including, without limitation, to enforce any security held by ALPHA;
- (g) to settle, extend or compromise any indebtedness owing to ALPHA;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of ALPHA, for any purpose pursuant to this Order;
 - (i) 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 ALPHA, 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;
 - (j) 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;
 - (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000 provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;
- and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;
- (l) 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;

- (m) 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 liquidation, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of ALPHA; and,
- (p) 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 ALPHA, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

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

7. **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 ALPHA, 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 7 or in paragraph 8 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.

8. **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

9. **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 ALPHA OR THE PROPERTY

10. **THIS COURT ORDERS** that no Proceeding against or in respect of ALPHA or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of ALPHA or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that all rights and remedies against ALPHA, 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 ALPHA to carry on any business which ALPHA is not lawfully entitled to carry on, (ii) exempt the Receiver or ALPHA 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

12. **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 ALPHA, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with ALPHA 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 ALPHA are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of ALPHA's current

telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of ALPHA or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Receivership Accounts**") and the monies standing to the credit of such 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.

PIPEDA

15. **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 ALPHA, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **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

17. **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

18. **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 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 (the "**Receiver's Charge**").

19. **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.

20. **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 AND LIQUIDATION

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such other 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.

22. **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.

23. **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.

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

GENERAL

25. **THIS COURT ORDERS** that 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 ALPHA's creditors or other interested parties at their respective addresses as last shown on the records of ALPHA 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.

26. **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.

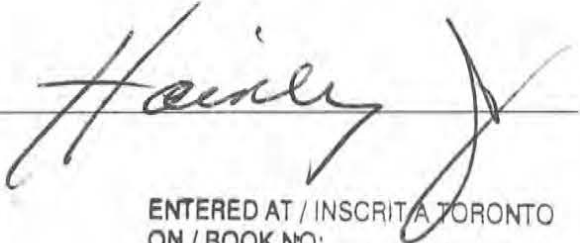
27. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

28. **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.

29. **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 ALPHA's estate with such priority and at such time as this Court may determine.

30. **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.



A handwritten signature in black ink, appearing to read "Hainley", is written over a horizontal line. The signature is stylized and extends to the right of the line.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUL 05 2018

PER / PAR:



Handwritten initials in blue ink, possibly "RL", written next to the "PER / PAR:" label.

SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that RSM Canada Limited, the receiver and liquidator ("**Receiver**") of the assets, undertakings and properties of Apartments For Living For Physically Handicapped Association ("**ALPHA**") acquired for, or used in relation to a business carried on by ALPHA, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the 5th day of July, 2018 (the "**Order**") made in an application having Court file number CV-18-596938-CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2018.

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

Per: _____

Name: Daniel Weisz

Title: Senior Vice-President

**HER MAJESTY THE QUEEN IN RIGHT
OF ONTARIO**

- v -

**APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION**

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

ORDER

ATTORNEY GENERAL FOR ONTARIO

Crown Law Office – Civil
8-720 Bay Street
Toronto, ON M7A 2S9
Tel.: 416-314-2540
Fax: 416-326-4181

Antonin Pribetic, LSO No. 34843S
antonin.pribetic@ontario.ca

Ananthan Sinnadurai, LSO No. 60614G
ananthan.sinnadurai@ontario.ca

Lawyers for the Applicant,
Her Majesty the Queen in right of Ontario

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

**APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION**

Respondent

**FIRST REPORT OF THE RECEIVER AND LIQUIDATOR OF
APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION**

November 8, 2018

Table of Contents

I. INTRODUCTION 1

II. BACKGROUND 4

III. RECEIVER’S ACTIVITIES TO DATE 5

IV. MARKETING ACTIVITIES 7

V. OFFERS RECEIVED FOR THE WINDSOR PROPERTY 8

VI. REDSTONE APS 8

VII. APPROVAL OF SALE 9

VIII. SECURED OR PRIORITY CLAIMS 10

IX. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS. 11

X. PROFESSIONAL FEES 11

XI. NEXT STEPS OF THE RECEIVER 12

XII. CONCLUSION 12

Appendices

Appointment OrderA

Management Agreement.....B

Marketing materials C

Title Search D

PPSA Search.....E

Tax and Assessment Information – City of WindsorF

Interim Statement of Receipts and Disbursements..... G

Affidavit of Daniel Weisz..... H

Affidavit of Jeffrey J. Simpson I

Confidential Appendix..... 1

I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) ("**Court**") dated July 5, 2018 (the "**Appointment Order**"), RSM Canada Limited ("**RSM**") was appointed receiver and liquidator (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Apartments for Living for Physically Handicapped Association ("**ALPHA**") including all proceeds thereof (the "**Property**") for the purpose of winding up ALPHA's affairs and distributing its property. A copy of the Appointment Order is attached to this report as Appendix "**A**".
2. The Appointment Order authorizes the Receiver to, among other things,:
 - i) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property; and
 - ii) 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.
3. The Appointment Order referred to in this report, together with related Court documents, has been posted on the Receiver's website, which can be found at *rsmcanada.com/alpha*.

Purpose of First Report

4. The purpose of this first report of the Receiver (the "**First Report**") is to:
 - (a) report to the Court on the activities of the Receiver since the date of the Appointment Order to November 2, 2018;
 - (b) provide to the Court details of the activities leading to receipt of an offer for the Debtor's primary asset, namely the property municipally known as 3185 Forest Glade Drive, Windsor, Ontario (the "**Windsor Property**");
 - (c) seek an order authorizing and directing the Receiver to carry out the terms of the agreement of purchase and sale between the Receiver and Redstone Living Inc. ("**Redstone**" or the "**Purchaser**") dated September 13, 2018 (the "**APS**") in connection with the sale of the Windsor Property, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Windsor Property in the Purchaser, or in such party as the Purchaser may further direct in writing, upon closing of the APS and the delivery of the Receiver's Certificate to the Purchaser;
 - (d) seek an order sealing Confidential Appendix "1" to the First Report together with the confidential schedules referred to therein;
 - (e) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period July 5, 2018 to November 2, 2018;
 - (f) seek an order approving the fees and disbursements of the Receiver for the period ending October 31, 2018;

-
- (g) seek an order approving the fees and disbursements of the Receiver's legal counsel, Torkin Manes LLP ("**Torkin**") for the period July 5, 2018 to September 28, 2018; and
 - (h) seek the Court's approval of the First Report, including Confidential Appendix 1, and the Receiver's conduct and activities described therein.

Terms of Reference

- 5. In preparing this First Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in this First 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 CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
- 6. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

II. BACKGROUND

7. ALPHA is a corporation without share capital formed in 1971 under the Corporations Act for the purpose of operating a social housing project (the “**ALPHA Housing Project**”) and providing an attendant care program to assist low and moderate income individuals with special needs with activities of daily living. ALPHA operated the ALPHA Housing Project at the Windsor Property.
8. In 1994, ALPHA announced that it was terminating its attendant care program for residents at the ALPHA Housing Project and that it had been unable to make arrangements for a replacement care provider. As a result, in March, 1994, the Ministry of Health and Long-Term Care (“**MOHLTC**”) assumed control of the affairs of ALPHA and the ALPHA Housing Project.
9. In 2012, MOHLTC determined that the Windsor Property was no longer suitable for ALPHA’s residents. ALPHA’s residents were subsequently moved to other accommodations and the ALPHA Housing Project ceased operations. The Windsor Property has remained vacant since that time.
10. As at the date of the Appointment Order, ALPHA carried on no active business and had no employees.
11. All of ALPHA’s directors appear to have resigned in 1994 and no directors or members of ALPHA have been involved with the affairs of ALPHA since March 1994.
12. ALPHA’s assets are comprised of (i) the Windsor Property, a one storey, 13 unit apartment complex; and (ii) cash and investments.

-
13. The Applicant, Her Majesty the Queen in Right of Ontario, has continued to fund ALPHA's ongoing liabilities and expenses, including payments due under ALPHA's mortgage with Canada Mortgage and Housing Corporation ("CMHC").
 14. As the Applicant no longer wished to continue to fund payment of ALPHA's ongoing liabilities, and for other just and equitable reasons, the Applicant commenced this proceeding, seeking an order providing for the winding up of ALPHA and appointing a receiver and liquidator to sell the Windsor Property and use the proceeds from the sale, and ALPHA's other assets, to pay ALPHA's liabilities.
 15. On July 5, 2018, the Court issued the Appointment Order, and RSM was thereby appointed as the Receiver of ALPHA.
 16. Torkin is counsel to the Receiver.

III. RECEIVER'S ACTIVITIES TO DATE

Property Manager

17. Upon the issuance of the Appointment Order, the Receiver contacted Larlyn Property Management Ltd. ("Larlyn"), the property manager retained by MOHLTC to manage the Windsor Property, and notified Larlyn of the Receiver's appointment.
18. The Receiver was of the view that it was practical in the circumstances to retain Larlyn for the purpose of continuing to manage the Windsor Property during the marketing process for the Windsor Property and prior to its sale by the Receiver. The Receiver has entered into an agreement with Larlyn pursuant

to which Larlyn provides property management services at the Windsor Property during this period. A copy of the management agreement is attached to this report as Appendix “B”.

Cash

19. ALPHA held cash and short-term investments totaling approximately \$490,000 at WFCU Credit Union (“WFCU”). The Receiver arranged for the transfer of \$473,436.80 to the Receiver’s trust account on July 20, 2018. A balance of \$17,000 was left in the ALPHA account at WFCU in order to ensure that there would be sufficient funds to cover any cheques that had been issued by Larlyn from ALPHA’s account in connection with its management of the Windsor Property, but which had not yet cleared. In addition, the ALPHA bank account was kept open to allow time for Larlyn to cancel pre-authorized debits and for the Receiver to arrange for the redirection of automatic deposits in respect of a provincial subsidy that ALPHA was receiving.
20. As at October 30, 2018, the ALPHA bank account had a balance of \$16,289.17. This amount was transferred to the Receiver’s bank account on October 30, 2018 and the WFCU account was closed.

Insurance

21. On July 5, 2018, the Receiver contacted All-Risks Insurance Brokers Limited (“All-Risk”), ALPHA’s insurance broker, to: (i) notify All-Risk of the receivership, (ii) enquire if ALPHA’s insurance coverage was still in effect and (iii) obtain confirmation that the insurer would continue coverage during the receivership. All-Risk advised the Receiver that coverage for the Windsor

Property had lapsed on June 1, 2018 as the insurer did not want to continue to provide coverage due to the length of time the building had remained vacant. All-Risk had been unable to source an alternate quotation.

22. The Receiver immediately contacted its insolvency insurance broker and, after obtaining additional detail on the Windsor Property from Larlyn, was able to arrange for liability and property coverage effective July 5, 2018.

Books and Records

23. ALPHA's financial records have been maintained by and are in the possession of Larlyn.

IV. MARKETING ACTIVITIES

24. On July 11, 2018, the Receiver contacted Colliers International ("**Colliers**"), CBRE Limited and Avison Young to invite them to submit listing proposals for the marketing and sale of the Windsor Property. After reviewing the listing proposals received from the three brokers, the Receiver selected Colliers as listing agent to market the Windsor Property for sale. The Receiver was of the view that the Colliers proposal offered the best combination of a lower commission rate of 5% and a shorter marketing period of 3 to 6 months.
25. Colliers launched its marketing campaign on or about August 14, 2018. The highlights of the sales process undertaken by Colliers are summarized below:
 - a. on August 14, 2018, the Windsor Property was listed on Colliers' website where it was viewed 1,169 times;
 - b. on August 20, 2018, the Windsor Property was listed for sale on MLS;

-
- c. on August 20, 2018, the Windsor Property was listed on Realtor.ca where it was viewed 1,230 times;
 - d. on August 30, 2018, an email blast was sent to Colliers' list of 1,465 unique contacts and 660 people looked at the email while 47 recipients clicked on the link in the email; and
 - e. tours of the Windsor Property were conducted for 15 different parties.

Copies of the MLS listing and email blast are attached as Appendix "C" to this report.

V. OFFERS RECEIVED FOR THE WINDSOR PROPERTY

26. As of the deadline for the submission of offers, September 14, 2018, Colliers had received five offers. Confidential Appendix "1" attached to this report provides a summary of the offers received by Colliers and sets out the rationale for the Receiver's recommendation that this Honourable Court approve the Receiver completing the sale of the Windsor Property to Redstone.

VI. REDSTONE APS

27. Without reference to the purchase price (disclosed in Confidential Appendix "1"), set out below are the salient terms of the Redstone APS (all capitalized terms not defined in this report are used as defined in the APS):
- i) a deposit of 5% of the Purchase Price is to be deposited in the trust account of the Receiver, to be paid as follows:
 - (a) 1% shall be paid upon the full execution of the APS; and

-
- (b) the remaining amount of the deposit shall be paid upon waiver of the Purchaser's condition;
 - ii) the agreement is conditional on court approval of the APS and the issuance of an order vesting title to the Windsor Property in the Purchaser free and clear of claims and encumbrances, other than those specifically itemized in the agreement;
 - iii) the Purchaser is buying the Property on an "as is, where is" basis; and
 - iv) closing of the sale is scheduled to occur ten (10) business days following the date on which the Approval and Vesting Order is granted, or such other date as agreed between the Purchaser and the Receiver in writing.

VII. APPROVAL OF SALE

28. The Receiver believes that the sales process undertaken by the Receiver was appropriate for the type of property in question, that it provided sufficient market exposure to the Windsor Property and that it resulted in obtaining a commercially reasonable offer for the following reasons:
- a. the Windsor Property was listed for sale with Colliers, and was listed on MLS and Realtor.ca;
 - b. the listing was viewed over 1,000 times;
 - c. the Windsor Property was exposed to the market for approximately four weeks;
 - d. tours of the Windsor Property were conducted for 15 different parties; and
 - e. five offers were received for the Windsor Property.

29. The Receiver believes that details of the APS should be kept confidential until the closing of the transaction. The Receiver is of the view that public disclosure thereof would have a negative impact on the future marketing of the Windsor Property should the transaction(s) not be approved or completed. Therefore, the Receiver respectfully requests that Confidential Appendix “1”, as well as the confidential schedules included and referred to therein, be sealed by this Honourable Court until after the sale transaction closes.

VIII. SECURED OR PRIORITY CLAIMS

30. Attached hereto as **Appendix “D”** is a copy of the Parcel Register for the Windsor Property dated April 6, 2018 (“**Title Search**”).
31. Attached hereto as **Appendix “E”** is a copy of a search conducted against ALPHA under the Personal Property Security Registration System dated November 4, 2018 (“**PPSA Search**”). As of November 4, 2018, there were no current registrations against ALPHA.
32. CHMC has a first mortgage registered on title to the Windsor Property as instrument number LT55522 in the amount of \$790,987. The Receiver has been provided with, and is currently reviewing, a discharge statement provided by CHMC in connection with the CHMC mortgage.
33. Torkin has provided its opinion to the Receiver that the CMHC mortgage has been validly registered and constitutes a valid and binding obligation of ALPHA in favour of CMHC and is enforceable by CMHC in accordance with the mortgage terms against the Receiver.

34. Larlyn has advised the Receiver that according to its records, ALPHA has never collected or remitted HST. In addition, ALPHA does not appear to have been in operation since 2012 and likely had no employees since that time. Larlyn does not prepare any statutory filings or returns on behalf of ALPHA. Accordingly, it does not appear that CRA would have any deemed trust claims against ALPHA.

35. According to information obtained by the Receiver from the City of Windsor website, ALPHA does not owe any property taxes to the City of Windsor. The Receiver has been verbally advised by the City of Windsor that, as a not-for-profit, ALPHA is not required to pay property taxes in connection with the Windsor Property. A copy of the Tax and Assessment Information obtained from the City of Windsor website, which indicates that the Windsor Property is assessed as "Exempt", is attached hereto as Appendix "F".

IX. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

36. Attached to this report as **Appendix "G"** is the Receiver's Interim Statement of Receipts and Disbursements for the period July 5, 2018 to November 2, 2018 (the "**R&D**"). During this period, receipts were \$541,495 while disbursements were \$80,163, resulting in a net cash surplus of \$461,331.

X. PROFESSIONAL FEES

37. The Receiver's accounts total \$33,856.50 in fees plus HST of \$4,401.35 for a total amount of \$38,257.85 for the period ending October 31, 2018 (the

“Receiver’s Accounts”). Copies of the Receiver’s Accounts, setting out the total billable hours charged per the accounts, are attached to the Affidavit of Daniel Weisz sworn November 7, 2018 that is attached to this report as **Appendix “H”**.

38. The accounts of the Receiver’s counsel, Torkin, total \$3,922.00 in fees and disbursements and \$507.59 in HST for a total of \$4,429.59 (the **“Torkin Accounts”**) for the period ending September 28, 2018. A copy of the Torkin Accounts, together with a summary of the personnel, hours and hourly rates described in the Torkin Accounts, supported by the Affidavit of Jeffrey J. Simpson sworn November 8, 2018 is attached to this report as **Appendix “I”**.

XI. NEXT STEPS OF THE RECEIVER

39. Following the completion of the sale of the Windsor Property, the Receiver will begin the process of winding up ALPHA. As part of this process, the Receiver intends to prepare a further Report setting out its recommendations as to any appropriate interim distributions which may be made from funds on hand and a suitable claims process to be implemented with respect to any remaining funds, as it is anticipated that there will be a surplus remaining after payment of ALPHA’s secured creditors.

XII. CONCLUSION

40. The Receiver respectfully requests that the Court grant an Order which provides for the following:

-
- (a) authorizing and directing the Receiver to carry out the terms of the APS;
 - (b) sealing Confidential Appendix "1 to the First Report, together with the confidential schedules referred to therein;
 - (c) approving the R&D;
 - (d) approving the fees and disbursements of the Receiver for the period ending October 31, 2018;
 - (e) approving the fees and disbursements of Torkin for the period ending September 28, 2018; and
 - (f) approving the First Report, including Confidential Appendix 1, and the conduct and activities of the Receiver as set out therein.

All of which is respectfully submitted to this Court as of this 8th day of November, 2018.

RSM CANADA LIMITED

In its capacity as Court Appointed Receiver and Liquidator of
Apartments for Living for Physically Handicapped Association
and not in its personal capacity



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

34487.0003/11873099_1

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.)
JUSTICE H.J. WILTON-SEAR)

WEDNESDAY, THE 14TH)
DAY OF NOVEMBER, 2018)

HWS

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

APARTMENTS FOR LIVING FOR PHYSICALLY HANDICAPPED ASSOCIATION

Respondent

APPLICATION FOR A WINDING-UP ORDER AND THE APPOINTMENT OF A
RECEIVER AND LIQUIDATOR PURSUANT TO THE *CORPORATIONS ACT*, R.S.O. 1990,
c C.38 AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c C.43

APPROVAL AND VESTING ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed receiver and liquidator (the "Receiver") of all of the assets, undertakings and properties of Apartments For Living For Physically Handicapped Association ("ALPHA"), including all proceeds thereof (collectively, the "Property") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and Redstone Living Inc. (the "Purchaser") made as of September 13, 2018, as amended by Amending Agreement dated as of November 1, 2018, each as appended to the

Report of the Receiver dated November 8, 2018 (the "Report"), and vesting in the Purchaser ALPHA's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, no other persons appearing,

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. 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.

2. 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 Receiver's and all of ALPHA's right, title and interest in and to the Purchased Assets described in the Sale Agreement 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 Hainey dated July 5, 2018; (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; and (iii) 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) 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.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Essex (Windsor) (#12) 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.

4. 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.

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

6. 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 ALPHA and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of ALPHA;

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 ALPHA and shall not be void or voidable by creditors of ALPHA, 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.

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.

W. Mon - hnd J.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-18-596938-CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

B E T W E E N:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

APARTMENTS FOR LIVING FOR PHYSICALLY HANDICAPPED ASSOCIATION

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Hainey of the Ontario Superior Court of Justice (the "Court") dated July 5, 2018, RSM Canada Limited was appointed as the receiver and liquidator (the "Receiver") of all of the assets, undertakings and properties of Apartments For Living For Physically Handicapped Association ("ALPHA"), including all proceeds thereof (collectively, the "Property") for the purpose of winding up ALPHA’s affairs and distributing its Property

B. Pursuant to an Order of the Court dated November 14, 2018, the Court approved the agreement of purchase and sale dated September 13, 2018, as amended by Amending Agreement dated as of November 1, 2018 (the "Sale Agreement") between the Receiver and Redstone Living Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Receiver’s and ALPHA’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; (ii) that the conditions to Closing as set out in section 16 of the Sale Agreement 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 Sale Agreement.

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 Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section 16 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

**RSM Canada Limited, solely in its capacity as
Court-appointed Receiver and Liquidator of
Apartments For Living For Physically
Handicapped Association and not in its
personal or corporate capacity and without
personal or corporate liability**

Per: _____

Name:

Title:

Schedule B – Purchased Assets

All of the Receiver's (if any) and ALPHA's right, title and interest in and to the Property and the Building (as defined in the Sale Agreement) including, without limitation, the following real property:

MUNICIPAL ADDRESS: 3185 Forest Glade Drive, Windsor, ON

LEGAL DESCRIPTION: PCL BLK M-1 SEC M77; PT BLK M PL M77 PT 2 12R3596 WINDSOR; S/T TO A RIGHT IN FAVOUR OF GEORGE WIMPEY CANADA LIMITED FOR ITSELF, ITS SUCCESSORS, SERVANTS, AGENTS AND ASSIGNS, UNTIL APPROVAL BY THE COMMISSIONER OF WORKS OF THE CITY OF WINDSOR, THE RIGHT TO ENTER THE LANDS INCLUDED HEREIN WITHOUT CHARGE, TO MAKE MODIFICATIONS OF THE SURFACE DRAINAGE FEATURES OF THE SAID LANDS AS MAY BE NECESSARY TO HAVE THE SURFACE DRAINAGE FEATURES COMPLY WITH THE DRAINAGE PATTERNS ESTABLISHED BY THE CORPORATION OF THE CITY OF WINDSOR

ROLL NUMBER: 3739-070-830-01800-0000

PIN: 01387-0011 (LT)

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. LT55522 registered on December 30, 1980, being a Charge in favour of Canada Mortgage and Housing Corporation in the principal amount of \$790, 987.00.

**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 Sales Agreement) means:

1. The exceptions and qualifications set out in the *Land Titles Act* (Ontario) and/or on the parcel register 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. The following instruments registered on title to the Property:
 - i. Instrument No. LT2350 registered on February 3, 1970, being a Notice re airport zoning regulations;

- ii. Instrument No. LT20596 registered on October 28, 1975, being a By-law;
 - iii. Instrument No. LT30268 registered on June 30, 1977, being the Transfer to ALPHA;
 - iv. Instrument No. LT35516 registered on May 1, 1978, being a Notice of a decision;
 - v. Instrument No. LT58811 registered on October 27, 1981, being a Notice re amendment to zoning regulations;
 - vi. Instrument No. LT58812 registered on October 27, 1981, being a Notice re amendment to zoning regulations; and
11. Instrument No. CE603388 registered on March 17, 2014, being a By-law regarding part-lot control.
- 34487.0003/11875242_1

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

-and- APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION
Respondent

Court File No. CV-18-596938-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

APPROVAL AND VESTING ORDER

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE *MR.*)
JUSTICE *H.J. WILTON-SIBBER*)

WEDNESDAY, THE 14TH *ANS*
DAY OF NOVEMBER, 2018

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

APARTMENTS FOR LIVING FOR PHYSICALLY HANDICAPPED ASSOCIATION

Respondent

APPLICATION FOR A WINDING-UP ORDER AND THE APPOINTMENT OF A
RECEIVER AND LIQUIDATOR PURSUANT TO THE *CORPORATIONS ACT*, R.S.O. 1990,
c C.38 AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c C.43

**ORDER
(Approval of Fees and Conduct)**

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed receiver and liquidator (the "Receiver") of all of the assets, undertakings and properties of Apartments For Living For Physically Handicapped Association ("ALPHA"), including all proceeds thereof for an order approving the sale of certain real property owned by ALPHA, together with other related relief, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report of the Receiver dated November 8, 2018 (the "Report") and on hearing the submissions of counsel for the Receiver, no other persons appearing,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Receiver's Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT FURTHER ORDERS** that the Receiver's Report, the activities of the Receiver outlined therein, including the Receiver's Statement of Receipts and Disbursements and Confidential Appendix 1 to the Report, are approved.

3. **THIS COURT FURTHER ORDERS** that the fees and disbursements of the Receiver and its counsel as shown in the Fee Affidavits of Daniel Weisz and Jeffrey J. Simpson attached to the Receiver's Report, filed, are approved.

4. **THIS COURT FURTHER ORDERS** that Confidential Appendix 1 to the Report, including all Schedules thereto, is sealed and shall not be publicly available until such time as the sale of the property located at 3185 Forest Glade Drive, Windsor, Ontario by the Receiver, as contemplated in the Approval and Vesting Order in this matter dated November 14, 2018, has been fully completed, or until further Order of this Court.



HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

-and- APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION
Respondent

Applicant

Court File No. CV-18-596938-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(Approval of Fees and Conduct)**

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Direct Tel: 416-777-5197
Direct Fax: 1-877-689-3872

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for the Receiver, RSM Canada Limited

14. Nov. 20

Applicant

Court File No. CV-18-596938-CI

Nov 14/18

S. Thom for the Receiver

All parties have been served and no objections received. Approval and Vesting Order to go in the form attached. In addition the Order approving the Receiver's fees and disbursements to go in the form attached, which order also reads Confidential Appendix 1 to the Receiver's Report as provided therein.

W. Thom

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(Returnable November 14, 2018)

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Tel: 416-863-1188
Fax: 416-863-0305

Lawyers for the Receiver, RSM Canada Limited



ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

**APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION**

Respondent

**SECOND REPORT OF THE RECEIVER AND LIQUIDATOR OF
APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION**

September 4, 2019

Table of Contents

I. INTRODUCTION..... 1

II. BACKGROUND AND APPOINTMENT OF RECEIVER..... 4

III. COMPLETION OF THE SALE OF THE WINDSOR PROPERTY..... 5

IV. CORPORATE TAX RETURNS 5

V. PROPOSED CLAIMS PROCESS..... 6

VI. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS .. 9

VII. PROFESSIONAL FEES..... 9

VIII. CONCLUSION 10

Appendices

Appointment Order A

First Report (without appendices) B

Approval and Vesting Order C

Ancillary Order D

Endorsement of Justice Wilton-Siegel..... E

Receiver’s Certificate dated November 26, 2018 F

Notice, Proof of Claim and Disallowance G

Interim Statement of Receipts and Disbursements H

Affidavit of Daniel Weisz..... I

Affidavit of Jeffrey Simpson J

I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) ("**Court**") dated July 5, 2018 (the "**Appointment Order**"), RSM Canada Limited ("**RSM**") was appointed receiver and liquidator (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Apartments for Living for Physically Handicapped Association ("**ALPHA**") including all proceeds thereof (the "**Property**") for the purpose of winding up ALPHA's affairs and distributing its property. A copy of the Appointment Order is attached to this report as Appendix "**A**".
2. At the time of the appointment of the Receiver, the principal asset owned by ALPHA was a one-storey, 13 unit apartment complex located at 3185 Forest Glade Drive, Windsor, Ontario (the "**Windsor Property**") from which ALPHA had formerly operated its facility. On November 8, 2018, the Receiver brought a motion, returnable on November 14, 2018, for the purpose of, among other things, seeking approval of the sale of the Windsor Property. A copy of the Receiver's First Report to the Court dated November 8, 2018 ("**First Report**"), filed in support of the Receiver's November 14, 2018 motion, is attached hereto (without appendices) as Appendix "**B**".
3. On November 14, 2018, Justice Wilton-Siegel granted an Approval and Vesting Order in respect of the sale of the Windsor Property (the "**Approval and Vesting Order**") together with an order granting certain ancillary relief (the "**Ancillary Order**"). Copies of the Approval and Vesting Order, Ancillary Order and Justice

Wilton-Siegel's November 14, 2018 Endorsement are attached to this report as Appendices "C" and "D" and "E", respectively.

4. The First Report and the orders referred to in this report, together with related Court documents, have been posted on the Receiver's website, which can be found at *rsmcanada.com/alpha*.

Purpose of Second Report

5. The purpose of this second report of the Receiver (the "**Second Report**") is to:
 - (a) report to the Court on the activities of the Receiver since the date of the First Report and in connection with the closing of the sale of the Windsor Property;
 - (b) provide the Court with information on the Receiver's proposed claims process (the "**Claims Process**"), and seek a Claims Procedure Order authorizing the Receiver to carry out the proposed claims process;
 - (c) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period July 5, 2018 to August 15, 2019; and
 - (d) seek orders:
 - i. authorizing the Receiver to conduct the Claims Process;
 - ii. approving the Second Report and the Receiver's conduct and activities described therein;
 - iii. approving the R&D;
 - iv. approving the fees and disbursements of the Receiver for the period November 1, 2018 to July 31, 2019; and

-
- v. approving the fees and disbursements of the Receiver's legal counsel, Torkin Manes LLP ("**Torkin**"), for the period September 28, 2018 to July 31, 2019.

Terms of Reference

6. In preparing this Second Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in this Second 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 CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.
7. Defined terms in the Second Report have, unless indicated otherwise herein, the same meanings as set out in the First Report.
8. Unless otherwise stated, all dollar amounts contained in the Second Report are expressed in Canadian dollars.

II. BACKGROUND AND APPOINTMENT OF RECEIVER

9. ALPHA is a corporation without share capital formed in 1971 under the Corporations Act for the purpose of operating a social housing project (the “**ALPHA Housing Project**”) and providing an attendant care program to assist low and moderate income special needs individuals in performing the activities of daily living. ALPHA operated the ALPHA Housing Project at the Windsor Property.
10. In 1994, ALPHA announced that it was terminating its attendant care program for residents at the ALPHA Housing Project, that ALPHA intended to cease operations and that it had been unable to make arrangements for a replacement care provider. As a result, in March 1994, the Ministry of Health and Long-Term Care (“**MOHLTC**”) assumed control of the affairs of ALPHA and the ALPHA Housing Project.
11. In 2012, MOHLTC determined that the Windsor Property was no longer suitable for the purposes of the ALPHA Housing Project. As a result, ALPHA’s residents were moved into alternative accommodations, ALPHA and the ALPHA Housing Project ceased business operations, and the Windsor Property was vacated.
12. Throughout the period since the cessation of ALPHA’s business operations, the Applicant, Her Majesty the Queen in Right of Ontario, continued to fund ALPHA’s ongoing liabilities and expenses, including payments due under ALPHA’s mortgage with Canada Mortgage and Housing Corporation (“**CMHC**”) and maintenance costs associated with the upkeep of the Windsor Property.
13. As the Applicant no longer wished to continue to fund payment of ALPHA’s ongoing liabilities and expenses, and for other reasons, the Applicant sought an

order seeking the appointment of a receiver and liquidator to: (i) sell the Windsor Property and apply the proceeds of sale, together with any realizations from ALPHA's other assets, to the repayment of ALPHA's liabilities; and (ii) to wind up ALPHA.

14. As referenced previously, the Appointment Order, in which RSM was appointed as the Receiver of ALPHA, was granted on July 5, 2018.
15. As at the date of the Receiver's appointment, ALPHA carried on no active business and had no employees, and the Windsor Property was vacant.
16. ALPHA's assets were, at the time of the Receiver's appointment, comprised of the Windsor Property, cash and investments.

III. COMPLETION OF THE SALE OF THE WINDSOR PROPERTY

17. In the First Report, the Receiver provided the Court with details of the proposed sale transaction with Forest Glade Apartments Inc. for the Windsor Property. Following the issuance of the Approval and Vesting Order, the Receiver proceeded to close the sale transaction.
18. The sale transaction has been completed. A copy of the Receiver's Certificate filed with the Court on November 26, 2018 is attached to this report as Appendix "F".

IV. CORPORATE TAX RETURNS

19. In furtherance of its mandate to wind up ALPHA, the Receiver contacted Canada Revenue Agency ("CRA") in order to determine ALPHA's current filing status. CRA advised that ALPHA's charitable status was revoked effective February 5, 2000 as

a result of ALPHA's failure to file annual T3010 Registered Charity Information Returns. Consequently, ALPHA had been required to file T2 Corporation Income Tax Returns (the "**T2 Returns**") for the year 2002 going forward, but these had not been filed by ALPHA.

20. Prior to its sale, the Receiver obtained possession of the books and records of ALPHA from the former property manager of the Windsor Property. However the financial records went back only as far as April 1, 2007 and no earlier records could be located. The Receiver discussed with CRA this lack of information and, based on that discussion, the Receiver prepared T2 Returns for the 2008 to 2018 taxation years based on the information available to the Receiver (the "**Returns**").
21. The Receiver filed the Returns with CRA on or about July 22, 2019. In the Receiver's cover letter to CRA, the Receiver set out that:
 - i) the Receiver did not audit or otherwise attempt to verify the accuracy or completeness of the financial statements or the Returns, and
 - ii) the Receiver is unable to prepare corporate income tax returns for ALPHA's 2000 to 2007 taxation years as the Receiver does not have any financial information relating to ALPHA for taxation years prior to 2008.
22. Based on the Returns filed, the balanced owed by ALPHA to CRA is \$318.00. The Receiver is currently awaiting CRA's review and assessment of the Returns.

V. PROPOSED CLAIMS PROCESS

23. In order to complete the wind up of ALPHA, the Receiver believes that it is necessary to establish a claims process and seek a Claims Procedure Order in

order to identify and determine the validity and quantum of any claims that may be asserted against ALPHA.

24. Accordingly, the Receiver seeks the Court's approval of the following proposed claims procedure:

- i) the Receiver will send a copy of the notice of the Receiver's appointment (the "**Notice**") and the Claims Procedure Order to all known creditors of ALPHA;
- ii) in order to identify potential unknown creditors of ALPHA, the Receiver will cause to be published in the National Post and the Windsor Star, or other local publication, a notice of its appointment as Receiver and the requirement for creditors of ALPHA to assert any claims and send to the Receiver a proof of claim against ALPHA on or before the Claims Bar Date (as defined below);
- iii) copies of the Notice and Claims Procedure Order will be posted on the Receiver's website;
- iv) any person that wishes to assert a claim against ALPHA must deliver to the Receiver on or before 5:00 p.m. on October 29, 2019 (the "**Claims Bar Date**"), a completed Proof of Claim with all relevant supporting documentation, failing which such creditor's claim shall be forever barred and extinguished and such creditor shall not be entitled to any distribution in respect of the claim or any further notice of orders made or steps taken in this proceeding;

-
- v) the Receiver will review all Proofs of Claim filed on or before the Claims Bar Date and is authorized and directed to use reasonable discretion as to the adequacy of compliance with the manner in which Proofs of Claim are completed and executed, and may, where it is satisfied that a claim has been adequately completed, waive strict compliance with the requirements of the Claims Procedure Order as to the completion and execution of the Proof of Claim;
 - vi) the Receiver will review the claims of each creditor and accept or disallow (in whole or in part) the amount and/or status of such claims. In the event that the Receiver disputes any claim, the Receiver is to deliver to the creditor by registered mail a Notice of Revision or Disallowance (the **“Disallowance”**);
 - vii) any creditor who receives a Disallowance and intends to dispute the Disallowance, must notify the Receiver in writing within thirty (30) days of the date of mailing of the Disallowance;
 - viii) upon receiving notice that a creditor intends to dispute the Disallowance, the Receiver may attempt to resolve and settle the creditor’s claim. In the event that the claim cannot be resolved by the Receiver, the Receiver may bring the disputed claim before the Court and seek a determination from the Court as to the disputed claim’s validity.

25. Copies of the proposed Notice, form of Proof of Claim and Disallowance are attached to this report as Appendix **“G”**.

-
26. The Receiver has consulted with CRA in an effort to establish a timeline for the contemplated claims process that will allow CRA time to complete its assessment of the Returns and inform the Receiver of CRA's position in this regard. The proposed Claims Bar Date was selected following the Receiver's consultations with CRA.

VI. RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

27. Attached to this report as **Appendix "H"** is the Receiver's Interim Statement of Receipts and Disbursements for the period July 5, 2018 to August 15, 2019 (the "**R&D**"). During this period, receipts were \$1,220,567 while disbursements were \$270,983, resulting in a net cash surplus of \$949,584.

VII. PROFESSIONAL FEES

28. The Receiver's accounts total \$59,328.50 in fees plus HST of \$7,712.72 for a total amount of \$67,041.22 for the period November 1, 2018 to July 31, 2019 (the "**Receiver's Accounts**"). Copies of the Receiver's Accounts, setting out the total billable hours charged per the accounts, are attached to the Affidavit of Daniel Weisz sworn September 3, 2019 that is attached to this report as **Appendix "I"**.
29. The accounts of the Receiver's counsel, Torkin, total \$23,650.23 in fees and disbursements and \$3,048.33 in HST for a total of \$26,698.56 (the "**Torkin Accounts**") for the period September 28, 2018 to July 31, 2019. A copy of the Torkin Accounts, together with a summary of the personnel, hours and hourly rates described in the Torkin Accounts, supported by the Affidavit of Jeffrey Simpson sworn September 3, 2019 is attached to this report as **Appendix "J"**.

VIII. CONCLUSION

30. The Receiver respectfully requests that the Court grant Orders which provide for the following:

- (a) authorizing the Receiver to carry out the proposed claims process; and
- (b) approving:
 - (i) the Second Report and the Receiver's conduct and activities described therein;
 - (ii) the R&D; and
 - (iii) the Receiver's Accounts and the Torkin Accounts.

All of which is respectfully submitted to this Court as of this 4th day of September, 2019.

RSM CANADA LIMITED

In its capacity as Court Appointed Receiver and Liquidator of
Apartments for Living for Physically Handicapped Association
and not in its personal capacity



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR) THURSDAY THE 19th
JUSTICE HAINES)
DAY OF SEPTEMBER, 2019

BETWEEN



HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

APARTMENTS FOR LIVING FOR PHYSICALLY HANDICAPPED ASSOCIATION

Respondent

APPLICATION FOR A WINDING-UP ORDER AND THE APPOINTMENT OF A RECEIVER AND LIQUIDATOR PURSUANT TO THE *CORPORATIONS ACT*, R.S.O. 1990, c C.38 AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c C.43

CLAIMS PROCESS ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed receiver and liquidator (the "Receiver") of all of the assets, undertakings and properties of Apartments For Living For Physically Handicapped Association ("ALPHA"), including all proceeds thereof for an order, *inter alia*, approving a Claims Process in respect of proceeds realized from the liquidation of the property of ALPHA, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver dated September 4, 2019 (the "**Second Report**") and on hearing the submissions of counsel for the Receiver, no other persons appearing,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record filed on this Motion be and is hereby abridged, service is validated and that further service thereof is hereby dispensed with such that this Motion is properly returnable today.

DEFINITIONS

2. For the purposes of this Order the following terms shall have the following meanings:

- (a) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985,c. B-3, as amended;
- (b) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday;
- (c) "**Claim**" means any claim or liability provable in proceedings under the BIA by a Creditor and includes any right or claim of any Person against ALPHA, whether secured or not, in connection with any indebtedness, liability or obligation of any kind of ALPHA owed to such Person, and any interest accrued thereon or costs payable in respect thereof, including any indebtedness, liability or obligation owed to such Person existing prior to the Appointment Date but does not include the CMHC Mortgage Claim;
- (d) "**Claims Package**" means the documents collectively attached at Schedule "A" to this Claims Process Order;
- (e) "**Claims Process**" means the procedures outlined in this Order and in the Second Report to be implemented in connection with the assertion of any Claims against ALPHA;

- (f) "**Court**" means the Ontario Superior Court of Justice, Commercial List, Toronto, Ontario;
- (g) "**Creditor**" means any Person asserting a Claim against ALPHA;
- (h) "**CMHC Mortgage Claim**" means the secured claim by Canada Mortgage and Housing Corporation;
- (i) "**Appointment Date**" means July 5, 2018;
- (j) "**Known Creditors**" includes all Creditors known to the Receiver as having a Claim or potential Claim against ALPHA;
- (k) "**Notice to Creditors**" means the notice substantially in the form attached hereto as Schedule "B", which is to be published in accordance with the terms of this Claims Process Order;
- (l) "**Notice of Disallowance**" means the notice substantially in the form attached hereto as Schedule "C";
- (m) "**Person**" has the meaning as defined in the BIA;
- (n) "**Proof of Claim**" means the form completed and filed by a Creditor setting forth its Claim with supporting documentation, which proof of claim shall be substantially in the form as that included in the Claims Package; and
- (o) "**Proven Claim**" means a Claim that has been allowed by the Receiver pursuant to the terms of this Order.

TIMELINES

3. For the purposes of this Order the following terms refer to the following dates:

- (a) "**Claims Bar Date**" means 5:00 PM on October 29, 2019;
- (b) "**Claims Disallowance Date**" means 5:00 PM November 8, 2019;

- (c) "**Claims Disallowance Appeal Date**" means the day which is thirty (30) days from the date on which the Receiver sends a Notice of Disallowance in respect of a Claim;
- (d) "**Claims Disallowance Hearing Date**" means a day which is not later than forty five (45) days from the date a Creditor files and serves a Notice of Motion and supporting affidavit materials appealing the disallowance of a Claim in accordance with the requirements of paragraph 13 of this Order;
- (e) "**Claims Package Date**" means September 27, 2019; and
- (f) "**Receiver Notice Address**" means:

RSM Canada Limited
11 King St. W., Suite 700, Box 27,
Toronto, Ontario, Canada, M5H 4C7
Attn: Brenda Wong
Fax: 416.480.2646
Email: brenda.wong@rsmcanada.

CLAIMS PROCESS

4. THIS COURT ORDERS that the Claims Process and the form of associated documents as attached at Schedules A, B and C hereto, with such minor amendments as the Receiver may deem appropriate, are approved.

5. THIS COURT ORDERS AND DIRECTS that the Receiver is hereby authorized and directed to, on or before the Claims Package Date:

- (a) send a copy of this Claims Process Order, a copy of the Notice to Creditors and a copy of the Claims Package to all known Creditors of ALPHA;
- (b) cause the Notice to Creditors to be published in the National Post and the Windsor Star, or other local publication, for a period of one (1) Business Day; and

- (c) post on the Receiver's website copies of the Notice to Creditors, Claims Process Order and Claims Package.

CREDITOR CLAIMS AND CLAIMS BAR DATE

6. THIS COURT ORDERS that a Creditor who wishes to assert a Claim must file a Proof of Claim, with supporting documentation, with the Receiver, by delivering the Proof of Claim with supporting documentation by ordinary mail, registered mail, courier, facsimile, e-mail message or personal delivery to the Receiver at the Receiver Notice Address on or before the Claims Bar Date.

7. THIS COURT ORDERS that any Creditor who does not file a Proof of Claim on or before the Claims Bar Date shall be barred from advancing any Claim against ALPHA, that the Claims of such Creditor will be forever barred and extinguished and that such Creditor shall not be entitled to any distribution of funds from the estate of ALPHA or the Receiver and shall not be entitled to notice of any further steps taken in this proceeding.

8. THIS COURT ORDERS that the Receiver's compliance with the terms of this Order shall constitute good and sufficient service of such materials to any Person and no further notice or service need be given or made and no other document or material need be served in connection with the Receiver's administration of the Claims Process.

REVIEW OF PROOFS OF CLAIM AND CLAIM DISPUTES

9. THIS COURT ORDERS AND DIRECTS that the Receiver shall review all Proofs of Claim filed on or before the Claims Disallowance Date and the Receiver is authorized and directed to use reasonable discretion as to the adequacy of compliance with the manner in which Proofs of Claim are completed and executed and may, where it is satisfied that a Claim has been adequately completed, waive strict compliance with the requirements of the Claims Process Order as to the completion and execution of the Proof of Claim.

10. THIS COURT ORDERS AND DIRECTS that the Receiver may request further information and documents in respect of a Proof of Claim from the Creditor and such other Persons as reasonably necessary to assess the Proof of Claim.

11. THIS COURT ORDERS AND DIRECTS that after reviewing the Proofs of Claim filed, the Receiver may dispute or disallow a Claim in whole or in part by sending to the Creditor a Notice of Disallowance by the Claims Disallowance Date. Notice of Disallowance may be sent to the address noted in the subject Proof of Claim and, where an e-mail or facsimile address is provided in the Proof of Claim, delivery in that mode shall be sufficient.

12. THIS COURT ORDERS AND DIRECTS that upon receiving notice that a Creditor intends to dispute a disallowance of that Creditor's Claim, the Receiver may attempt to resolve and settle the Creditor's Claim.

13. THIS COURT ORDERS AND DIRECTS that any Creditor who disputes a Notice of Disallowance may appeal the decision of the Receiver communicated therein and seek a determination by the Court of the validity, value of and particulars of its Claim by filing at the Courthouse at 330 University Avenue, 7th Floor, Toronto, Ontario and serving upon the Receiver, at the Receiver Notice Address, on or before the Claims Disallowance Appeal Date, a Notice of Motion to appeal the disallowance supported by Affidavit materials, returnable by no later than the Claims Disallowance Hearing Date. The Receiver shall be at liberty, but not obliged, to respond to or appear on the hearing of any such appeal.

14. THIS COURT ORDERS AND DIRECTS that any Creditor who fails to file and serve the Notice of Motion and supporting affidavit material by the Claims Disallowance Appeal Date or fails to schedule a hearing of their appeal on or before the Claims Disallowance Hearing Date shall be deemed to forfeit any rights of appeal and shall be deemed to accept the amount of its Claim as set forth in the Notice of Disallowance and such amounts set forth in the Notice of Disallowance shall constitute a Proven Claim.

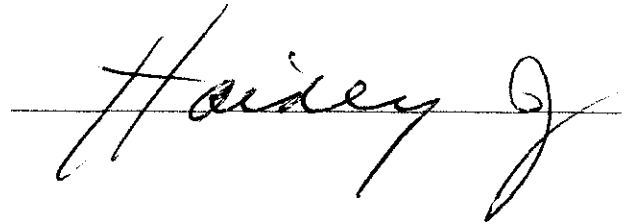
CMHC MORTGAGE CLAIM

15. THIS COURT ORDERS AND DIRECTS that notwithstanding anything else in this Order, the CMHC Mortgage Claim shall not be subject to the Claims Process or any of the provisions herein contained and that the validity and quantum of the CMHC Mortgage Claim shall be assessed by the Receiver in the ordinary course.

GENERAL PROVISIONS


16. THIS COURT ORDERS AND DIRECTS that in the event that the day on which any notice or communication required to be delivered pursuant to this Claims Process is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day.

17. THIS COURT ORDERS AND DIRECTS that in the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be delivered by personal delivery, courier, electronic mail or such other method which the Court on application may specify, and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been delivered. All such notices and communications shall be deemed to have been received, in the case of notice by personal delivery, courier or electronic mail prior to 5:00 p.m. (local time) on a Business Day, when received, if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day, and in the case of a notice mailed as aforesaid, on the fourth Business Day following the date on which such notice or other communication is mailed.



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

SEP 19 2019

PER / PAR: 

SCHEDULE "A"
CLAIMS PACKAGE

INSTRUCTION LETTER

Pursuant to an Order of the Ontario Superior Court of Justice dated July 5, 2018 (the "Appointment Order"), RSM Canada Limited was appointed as receiver and liquidator of Apartments For Living For Physically Handicapped Association ("ALPHA").

In its capacity as receiver and liquidator (the "Receiver"), the Receiver has, pursuant to an Order of the Court dated September 19, 2019 (the "Claims Process Order"), been authorized to conduct a claims process in respect of ALPHA. A copy of the Claims Process Order is included with this package.

This Instruction Letter has been prepared to assist persons asserting a claim in filling out the Proof of Claim form with respect to ALPHA. If you have any additional questions regarding completion of the Proof of Claim form, please contact the Receiver at the contact information shown below.

In the event of any inconsistency between the terms of this Instruction Letter and the terms of the Claims Process Order, the terms of the Claims Process Order will govern. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Claims Process Order.

Section 1 – Particulars of Creditor

- A separate Proof of Claim form must be filed by each legal entity or Person asserting a claim against ALPHA.
- The full legal name of the Person asserting the claim must be provided.
- If the claim has been assigned or transferred to another party, Section 2 must also be completed.
- Unless the claim is assigned or transferred, all future correspondence, notices, etc. regarding the claim will be directed to the address and contact details indicated in the Proof of Claim.

Section 2 – Particulars of Original Creditor in case of Assignment

- If the holder of a claim is the assignee of its claim, then this Section 2 must be completed.
- The full legal name of the original creditor must be provided.
- Please provide particulars of assignment in a separate schedule.
- If the Receiver is satisfied that an assignment or transfer has occurred, all future correspondence, notices, etc. regarding the claim will be directed to the assignee at the address and contact details indicated in the Proof of Claim.

Section 3 – Amount of Claim

- Indicate the amount ALPHA was and still is indebted to the Person asserting the claim on the Proof of Claim.

Currency, Original Currency Amount

- The amount of the claim is assumed to be in Canadian dollars unless specifically indicated otherwise in the Proof of Claim.
- Claims denominated in a currency other than Canadian dollars will be converted into Canadian dollars by the Receiver using the Bank of Canada noon spot exchange rate on the date on which the claim arose.

Secured

- Complete this section ONLY if the claim recorded on that line is secured. Do not complete this section if your claim is unsecured.
- If the value of the collateral securing your claim is less than the amount of your claim, enter the shortfall portion on a separate line as an unsecured claim.

Priority

- Complete this section ONLY if the amount of your claim has a right to priority.
- If a priority claim is being asserted, please provide details as to the nature of the claim being asserted, and the basis for priority on which you rely.

Section 4 – Particulars of Claim

- Attach to the Proof of Claim form all particulars of the claim and supporting documentation, including amount, description of transaction(s), agreement(s) or other document(s) giving rise to or evidencing the claim, including invoices, particulars of all credits, offsets or other deductions claimed, description of the security, if any, granted to the holder of the claim.
- If your claim is a secured claim, evidence supporting the security you hold must be submitted with the Proof of Claim form. Provide full particulars of the nature of the security, including the date on which the security was given and the value you attribute to the collateral securing your claim. Attach a copy of all related security documents.

Certification

- The person signing the Proof of Claim form should
 - be the holder of the claim, or authorized representative of the holder of the claim.
 - have knowledge of all the circumstances connected with the claim.
- By signing and submitting the Proof of Claim, the Creditor is asserting the claim against ALPHA.

Filing of Claim

- The Proof of Claim **must be received** by the Receiver on or before 5:00 p.m. (Toronto time) on October 29, 2019 (the “**Claims Bar Date**”).
- Proofs of Claim should be sent by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile or other electronic transmission to the following address:

RSM Canada Limited
Receiver of Apartments for Living for Physically Handicapped Association
11 King Street West, Suite 700, Box 27
Toronto, Ontario M5H 4C7

Attention: Brenda Wong
Telephone: (647) 727-3621
Facsimile: (416) 480-2646
E-mail: brenda.wong@rsmcanada.com

IF YOUR PROOF OF CLAIM IS NOT RECEIVED BY THE RECEIVER BY THE CLAIMS BAR DATE, YOUR CLAIM AGAINST ALPHA WILL BE FOREVER BARRED AND EXTINGUISHED AND YOU SHALL NOT BE ENTITLED TO ANY DISTRIBUTION IN RESPECT OF THE CLAIM OR ANY FURTHER NOTICE OR ORDER MADE OR STEPS TAKEN IN THIS PROCEEDING.

**In the Matter of the Receivership and Liquidation of
Apartments for Living for Physically Handicapped Association ("ALPHA")**

PROOF OF CLAIM RE ALPHA

1. Particulars of Creditor:

- (1) Full Legal Name of Creditor: _____
- (2) Full Mailing Address of Creditor: _____
- (3) Telephone Number of Creditor: _____
- (4) Facsimile Number of Creditor: _____
- (5) E-mail Address of Creditor: _____
- (6) Attention (Contact Person): _____

**2. Particulars of Original Creditor from Whom You Acquired Claim, if
Applicable:**

- (1) Have you acquired this claim by assignment?

Yes [] No []

(if yes, attach documents evidencing assignment)

- (2) Full Legal Name of original creditor(s): _____

3. Claim:

I, _____, [*name of Creditor or authorized representative of the Creditor*], am the Creditor/hold the position of _____ of the Creditor and have knowledge of all the circumstances connected with the claim described herein; and

The Creditor makes the following claim against ALPHA:

Nature of Claim	Claim Amount *	Date of Claim
Secured Claim		
Priority Claim		
Unsecured Claim		

* Assumes Canadian funds unless indicated otherwise.

4. Particulars of Claim:

The particulars of the undersigned's claim against ALPHA are attached.

(Attach a schedule setting forth full particulars of the claim(s) against ALPHA and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the claim(s), name of any guarantor(s) which has guaranteed the claim(s), and amount of claim(s) allocated thereto, date and number of all invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted and estimated value of such security or title retention arrangement).

5. Submission of Proof of Claim:

THIS PROOF OF CLAIM MUST BE RETURNED TO AND RECEIVED BY THE RECEIVER ON OR BEFORE 5:00 P.M. (TORONTO TIME) ON OCTOBER 29, 2019 AT THE FOLLOWING ADDRESS:

RSM Canada Limited
Court-appointed Receiver and Liquidator of ALPHA
11 King Street West, Suite 700, Box 27
Toronto, Ontario M5H 4C7

Attention: Brenda Wong
Telephone: (647) 727-3621
Facsimile: (416) 480-2646
E-mail: brenda.wong@rsmcanada.com

DATED at this day of, 2019.

I hereby certify that:

- (a) I am the Claimant or authorized representative of the Claimant.
- (b) I have knowledge of all the circumstances connected with this Claim.
- (c) The Claimant asserts this Claim against ALPHA as set out above.

(d) Complete documentation in support of this Claim is attached.

Witnessed by (WITNESS SIGNATURE
REQUIRED IN THE CASE OF
INDIVIDUALS):

[If Creditor is individual]

(sign) _____

Print Name

[If Creditor is corporation]

[Print name of Creditor]

Per: *(sign)* _____

Authorized Signing Officer

SCHEDULE "B"
NOTICE TO CREDITORS

Notice to Creditors of Apartments For Living For Physically Handicapped Association

**NOTICE OF CLAIMS PROCESS FOR APARTMENTS FOR LIVING FOR
PHYSICALLY HANDICAPPED ASSOCIATION ("ALPHA")**

By Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated July 5, 2018, RSM Canada Limited was appointed by the Court as receiver and liquidator (the "**Receiver**") of all of the assets, undertakings and properties of ALPHA including all proceeds thereof for the purpose of winding up ALPHA's affairs and distributing its property.

PLEASE TAKE NOTICE that on September 19, 2019, the Court issued an order (the "**Claims Process Order**"), a copy of which is enclosed, requiring that all Persons who have and wish to assert a claim against ALPHA shall do so by filing with the Receiver a proof of claim against ALPHA on or before 5:00 p.m. (Toronto time) on October 29, 2019 (the "**Claims Bar Date**"). Completed Proofs of Claim can be sent to the Receiver by prepaid ordinary mail, registered mail, courier, personal delivery, facsimile or other electronic transmission at the address of the Receiver listed below, but must be received by the Receiver on or before the Claims Bar Date to be considered.

IF YOUR PROOF OF CLAIM IS NOT RECEIVED BY THE RECEIVER BY THE CLAIMS BAR DATE, YOUR CLAIM(S) AGAINST ALPHA WILL BE FOREVER BARRED AND EXTINGUISHED AND YOU SHALL NOT BE ENTITLED TO ANY DISTRIBUTION IN RESPECT OF THE CLAIM OR ANY FURTHER NOTICE OR ORDER MADE OR STEPS TAKEN IN THIS PROCEEDING.

Address of the Receiver:

RSM Canada Limited
Court-appointed Receiver and Liquidator of ALPHA
11 King Street West, Suite 700, Box 27
Toronto, Ontario M5H 4C7

Attention: Brenda Wong
Telephone: (647) 727-3621
Facsimile: (416) 480-2646
E-mail: brenda.wong@rsmcanada.com

Dated at Toronto this ____ day of September, 2019.

SCHEDULE "C"
NOTICE OF DISALLOWANCE

**In the Matter of the Receivership and Liquidation of
Apartments for Living for Physically Handicapped Association ("ALPHA")**

**NOTICE OF REVISION OR DISALLOWANCE
IN RESPECT OF CLAIMS AGAINST ALPHA**

To: _____

Pursuant to the Claims Process Order, the Receiver hereby gives you notice that the Receiver has reviewed your Proof of Claim and has revised or disallowed all or part of your purported Claim. Subject to further dispute by you in accordance with the Claims Process Order, your Proven Claim will be as follows:

	Currency	Amount as Submitted	Amount Allowed
Secured Claim			
Priority Claim			
Unsecured Claim			
Total Claim			

Reasons for Revision or Disallowance:

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than 30 days after the Receiver sends this Notice of Revision or Disallowance, notify the Receiver in writing by prepaid ordinary mail, registered mail, courier, personal delivery or facsimile or other electronic transmission to the following address:

RSM Canada Limited
Court-appointed Receiver and Liquidator of ALPHA
11 King Street West, Suite 700, Box 27
Toronto, Ontario M5H 4C7

Attention: Brenda Wong
Telephone: (647) 727-3621
Facsimile: (416) 480-2646
E-mail: brenda.wong@rsmcanada.com

IF YOU FAIL TO GIVE WRITTEN NOTICE OF INTENT TO DISPUTE THIS NOTICE OF REVISION OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED this _____ day of _____, 2019.

RSM Canada Limited, solely in its capacity as Court-appointed Receiver and Liquidator of Apartments for Living for Physically Handicapped Association, and not in its personal or corporate capacity

Per: _____

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

-and-

APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION

Respondent

Court File No. CV-18-596938-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

CLAIM PROCESS ORDER

TORKIN MANES LLP

Barristers & Solicitors

151 Yonge Street, Suite 1500

Toronto ON M5C 2W7

Stewart Thom (55695C)

sthom@torkinmanes.com

Tel: 416-777-5197

Fax: 1-877-689-3872

Lawyers for the Receiver and Liquidator, RSM Canada
Limited

RCP-E 4C (May 1, 2016)

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR) THURSDAY THE 19th
JUSTICE HAINES)
DAY OF SEPTEMBER, 2019

BETWEEN:



HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

APARTMENTS FOR LIVING FOR PHYSICALLY HANDICAPPED ASSOCIATION

Respondent

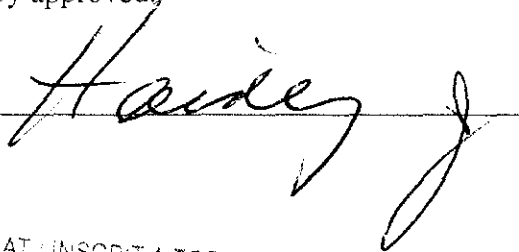
APPLICATION FOR A WINDING-UP ORDER AND THE APPOINTMENT OF A RECEIVER AND LIQUIDATOR PURSUANT TO THE *CORPORATIONS ACT*, R.S.O. 1990, c C.38 AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c C.43

ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed receiver and liquidator (the "Receiver") of all of the assets, undertakings and properties of Apartments For Living For Physically Handicapped Association ("ALPHA"), including all proceeds thereof for an order, *inter alia*, approving a Claims Process in respect of proceeds realized from the liquidation of the property of ALPHA, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver dated September 4, 2019 (the "**Second Report**") and on hearing the submissions of counsel for the Receiver ~~and counsel for the Applicant~~
~~Her Majesty the Queen in Right of Ontario~~, no other persons appearing,

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record filed on this Motion is hereby abridged, service is validated and that further service thereof is hereby dispensed with such that this Motion is properly returnable today.
2. THIS COURT ORDERS AND DECLARES that the Second Report is approved and the conduct and activities of the Receiver as set out therein are approved.
3. THIS COURT ORDERS that the fees and disbursements of the Receiver for the period November 1, 2018 to July 31, 2019 as set out in the Second Report be and are hereby approved.
4. THIS COURT ORDERS that the fees and disbursements of the Receiver's counsel for the period September 28, 2018 to July 31, 2019 as set out in the Second Report be and are hereby approved.
5. THIS COURT ORDERS that the Receiver's statement of receipts and disbursements as of August 15, 2019, as set out in the Second Report, is hereby approved.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

SEP 19 2019

PER / PAR: 

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

-and- APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION
Respondent

Applicant

Court File No. CV-18-596938-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

TORKIN MANES LLP

Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)

sthom@torkinmanes.com

Tel: 416-777-5197

Fax: 1-877-689-3872

Lawyers for the Receiver and Liquidator, RSM Canada
Limited

RCP-E 4C (May 1, 2016)

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

**APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION**

Respondent

**THIRD REPORT OF THE RECEIVER AND LIQUIDATOR OF
APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION**

December 23, 2020

Table of Contents

I. INTRODUCTION..... 1

II. BACKGROUND AND APPOINTMENT OF RECEIVER..... 4

III. CLAIMS PROCESS 6

IV. CLAIMS AGAINST ALPHA 6

V. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS 11

VI. PROPOSED DISTRIBUTION 11

VII. PROFESSIONAL FEES..... 12

VIII. CONCLUSION 13

Appendices

Appointment Order A

First Report (without appendices) B

Approval and Vesting Order C

November 14 Ancillary Order D

Endorsement of Justice Wilton-Siegel E

Second Report (without appendices) F

Claims Process Order G

September 19 Ancillary Order H

Notice I

Post and Star Notice J

CRA Notice and CRA Claim K

Discharge Statement L

Opinion on CMHC Security M

Interim Statement of Receipts and Disbursements N

Affidavit of Daniel Weisz O

Affidavit of S. Fay Sulley P

I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated July 5, 2018 (the “**Appointment Order**”), RSM Canada Limited (“**RSM**”) was appointed receiver and liquidator (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Apartments for Living for Physically Handicapped Association (“**ALPHA**”) including all proceeds thereof (the “**Property**”) for the purpose of winding up ALPHA’s affairs and distributing its property. A copy of the Appointment Order is attached to this report as **Appendix “A”**.
2. At the time of the appointment of the Receiver, the principal asset owned by ALPHA was a one-storey, 13-unit apartment complex located at 3185 Forest Glade Drive, Windsor, Ontario (the “**Windsor Property**”) from which ALPHA had formerly operated its facility. On November 8, 2018, the Receiver brought a motion, returnable on November 14, 2018, for the purpose of, among other things, seeking approval of the sale of the Windsor Property. A copy of the Receiver’s First Report to the Court dated November 8, 2018 (“**First Report**”), filed in support of the Receiver’s November 14, 2018 motion, is attached hereto (without appendices) as **Appendix “B”**.
3. On November 14, 2018, Justice Wilton-Siegel granted an Approval and Vesting Order in respect of the sale of the Windsor Property (the “**Approval and Vesting Order**”) together with an order granting certain ancillary relief (the “**November 14 Ancillary Order**”). Copies of the Approval and Vesting Order, November 14

Ancillary Order and Justice Wilton-Siegel's November 14, 2018 Endorsement are attached to this report as **Appendices "C"** and **"D"** and **"E"**, respectively.

4. On September 4, 2019, the Receiver brought a motion, returnable on September 19, 2019, for the purpose of, among other things, seeking authorization for the Receiver to conduct a claims process (the **"Claims Process"**) consistent with that which is set out in its second report to the Court dated September 4, 2019 (the **"Second Report"**). A copy of the Second Report is attached hereto (without appendices) as **Appendix "F"**.
5. On September 19, 2019, Justice Hainey granted the Claims Process Order authorizing and directing the Receiver to conduct the Claims Process, together with an order granting certain ancillary relief (the **"September 19 Ancillary Order"**). Copies of the Claims Process Order and September 19 Ancillary Order are attached hereto as **Appendices "G"** and **"H"**, respectively.
6. The First Report, the Second Report and the orders referred to in this report, together with related Court documents, have been posted on the Receiver's website, which can be found at rsmcanada.com/alpha.

Purpose of Third Report

7. The purpose of this third report of the Receiver (the **"Third Report"**) is to:
 - (a) report to the Court on the activities of the Receiver since the date of the Second Report;
 - (b) provide the Court with information on the claims process (the **"Claims Process"**) conducted by the Receiver and the results of the Receiver's review of the claims received;

-
- (c) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period July 5, 2018 to December 22, 2020 (the "R&D"); and
- (d) seek orders:
- i. authorizing the Receiver to accept the claim of Canada Mortgage and Housing Corporation ("CMHC") in the amount of the Adjusted CMHC Discharge Amount (as herein defined) in respect of the first mortgage it held over the Windsor Property prior to the sale of the Windsor Property and authorizing the Receiver to pay CMHC that amount provided that such amount does not exceed \$525,000;
 - ii. approving the Third Report and the Receiver's conduct and activities described herein;
 - iii. approving the R&D;
 - iv. approving the fees and disbursements of the Receiver for the period August 1, 2019 to November 30, 2020; and
 - v. approving the fees and disbursements of the Receiver's legal counsel, Torkin Manes LLP ("Torkin"), for the period August 1, 2019 to November 30, 2020.

Terms of Reference

8. In preparing this Third Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "Information"). Certain of the information contained in this Third 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 CPA Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information.

9. Defined terms in the Third Report have, unless indicated otherwise herein, the same meanings as set out in the First Report and the Second Report.
10. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.

II. BACKGROUND AND APPOINTMENT OF RECEIVER

11. ALPHA is a corporation without share capital formed in 1971 under the Corporations Act for the purpose of operating a social housing project (the “**ALPHA Housing Project**”) and providing an attendant care program to assist low and moderate income special needs individuals in performing the activities of daily living. ALPHA operated the ALPHA Housing Project at the Windsor Property.
12. In 1994, ALPHA announced that it was terminating its attendant care program for residents at the ALPHA Housing Project, that ALPHA intended to cease operations and that it had been unable to make arrangements for a replacement care provider. As a result, in March 1994, the Ministry of Health and Long-Term Care

-
- (“**MOHLTC**”) assumed control of the affairs of ALPHA and the ALPHA Housing Project.
13. In 2012, MOHLTC determined that the Windsor Property was no longer suitable for the purposes of the ALPHA Housing Project. As a result, ALPHA’s residents were moved into alternative accommodations, ALPHA and the ALPHA Housing Project ceased business operations, and the Windsor Property was vacated.
 14. Throughout the period since the cessation of ALPHA’s business operations, the Applicant, Her Majesty the Queen in Right of Ontario (the “**Province**”), continued to fund ALPHA’s ongoing liabilities and expenses, including payments due under ALPHA’s mortgage with CMHC and maintenance costs associated with the upkeep of the Windsor Property.
 15. As the Applicant no longer wished to continue to fund payment of ALPHA’s ongoing liabilities and expenses, and for other reasons, the Applicant sought an order seeking the appointment of a receiver and liquidator to: (i) sell the Windsor Property and apply the proceeds of sale, together with any realizations from ALPHA’s other assets, to the repayment of ALPHA’s liabilities; and (ii) to wind up ALPHA.
 16. As referenced previously, the Appointment Order, in which RSM was appointed as the Receiver of ALPHA, was granted on July 5, 2018.
 17. As at the date of the Receiver’s appointment, ALPHA carried on no active business and had no employees, and the Windsor Property was vacant.
 18. ALPHA’s assets were, at the time of the Receiver’s appointment, comprised of the Windsor Property, cash and investments.

III. CLAIMS PROCESS

19. In accordance with the claims procedure set out in the Second Report, the Receiver:
- i) sent a copy of the notice of the Receiver's appointment (the "**Notice**") and the Claims Procedure Order to all known creditors of ALPHA;
 - ii) caused to be published in the National Post and the Windsor Star (the "**Post and Star Notices**") on September 26, 2019, a notice of its appointment as Receiver and the requirement for creditors of ALPHA to assert any claims and send to the Receiver a proof of claim against ALPHA on or before 5:00 p.m. on October 29, 2019 (the "**Claims Bar Date**"); and
 - iii) posted copies of the Notice and Claims Procedure Order on the Receiver's website;
20. Copies of the Notice and the Post and Star Notices are attached hereto as **Appendices "I" and "J"**, respectively.

IV. CLAIMS AGAINST ALPHA

21. As of the Claims Bar Date, the Receiver received two proofs of claim against ALPHA as summarized below.

CRA

22. In the Second Report, the Receiver reported that it had filed the corporate income tax returns for ALPHA for the taxation years 2008 to 2018 and that, based on the returns filed, the estimated tax liability was \$318.00. On September 20, 2019, Canada Revenue Agency ("**CRA**") issued a notice assessing ALPHA for unpaid

corporate income taxes of \$6,983.26, a large part of which is comprised of penalties and interest.

23. CRA filed an unsecured claim for \$6,983.26 in respect of outstanding income taxes of \$3,412.00 plus penalty and interest of \$3,571.26 as of September 18, 2019.
24. The Receiver filed the return for the 2019 taxation year and received from CRA a notice of assessment advising that the balance owed was \$7,162.11 as of February 21, 2020 (the “**CRA Notice**”). The Receiver subsequently filed the return for the 2020 taxation year and received from CRA a notice of assessment. On October 13, 2020, CRA filed an amended proof of claim advising that the balance owed was \$7,200.58 as of October 13, 2020 (the “**CRA Claim**”). While no additional taxes were assessed, the increased claim amounts were the result of additional interest which accrued on the outstanding balance. Copies of the CRA Notice and CRA Claim are attached hereto as **Appendix “K”**.
25. The Receiver proposes to admit the CRA Claim and to pay to CRA the \$7,200.58, plus additional interest which may accrue on that balance at such time as the Receiver makes payments to ALPHA’s unsecured creditors.

Her Majesty the Queen in Right of Ontario

26. The Province filed an unsecured claim for \$239,600 and accrued interest in respect of funding advanced to ALPHA for specific capital improvements (the “**Provincial Funding**”) that was not spent by ALPHA.
27. In response to the Receiver’s request, the Province has not been able to locate a supporting agreement that stipulates that any funds provided to ALPHA that were not used by ALPHA are to be returned to it. The Province has indicated to the

Receiver that, in the absence of an agreement between the Province and ALPHA, the Province's claim is made on the basis of a claim for unjust enrichment, as ALPHA has been unjustly enriched through its retention of the Provincial Funding and accrued interest thereon, and that the unused funds form a debt to Ontario.

28. The Receiver has confirmed that the Provincial Funding was received by ALPHA in March 2012. While the books and records of ALPHA indicate that only \$229,532.77 of the Provincial Funding remained as of June 30, 2018, the Receiver proposes to admit the Province's claim in the amount filed of \$239,600 as the Ministry informed the Receiver that no funds were ever repaid by ALPHA.
29. In its original claim filed, the Province did not quantify the amount that it was claiming in respect of accrued interest. The Receiver requested that the Province advise the Receiver of the amount of interest claimed and the basis of the claim and, if the information was not provided, the Receiver would proceed to disallow that portion of the Province's claim.
30. The Province has subsequently advised the Receiver that it claims interest equal to the amount of interest that would have been earned by the Receiver on its advance. At this time, the Ministry and the Receiver have agreed that the amount of interest is equal to \$5,730.86.

CMHC

31. Pursuant to the Claims Process Order, CMHC was not required to file a proof of claim in respect of the amount owed to CMHC by ALPHA under CMHC's mortgage over the Windsor Property (the "**CMHC Mortgage**"). CMHC has provided to the Receiver a Statement of Account for payment in full of the CMHC Mortgage

indicating that the total amount due and payable as of December 1, 2020 is \$512,169.44 (the “**Discharge Statement**”). A copy of the Discharge Statement is attached hereto as **Appendix “L”**.

32. The Discharge Statement sets out the following amounts owing by ALPHA:
- i) principal and interest due and payable as at December 1, 2020 of \$376,280.23;
 - ii) unearned Capital Contribution of \$12,787.59;
 - iii) a Prepayment Penalty of \$124,024.00; and
 - iv) electronic registration charge of \$77.62; plus
 - v) per diem interest at a rate of \$79.60.

The sum of the above amounts is equal to \$513,169.44 which is \$1,000 higher than the total listed on the Discharge Statement. The Receiver will, as required, clarify whether it is the total, or one of the components above, that is recorded incorrectly.

33. With reference to the Unearned Capital Contribution and the Prepayment Penalty, the Ministry of Municipal Affairs and Housing (“**MMAH**”), which is the provincial contact for the CMHC Mortgage, has set out CMHC’s position with respect to the amounts claimed as follows:
- i) Unearned Capital Contribution

The “Unearned Capital Contribution” portion of the CMHC claim refers to amounts which CMHC would elect to forgive, namely \$79,098.70 of the \$790,987.00 loan amount at a rate of \$1,581.97 per year (\$131.83 per month), leaving \$711,888.30 as repayable, should the loan payments

continue to be made consistent with the amortization until maturity. The agreements between ALPHA and CMHC do not require any reduction to the ordinary amortization of the ALPHA mortgage indebtedness and the Receiver is satisfied with the basis stated by CMHC for such amounts being recoverable namely, that such reductions were a gratuitous benefit conferred upon ALPHA conditional upon the loan continuing to maturity; and

ii) Prepayment Penalty

The language outlining prepayment eligibility is struck from the mortgage documents, thus indicating that the loan is closed to prepayment and thus a penalty must be applied if the mortgage is paid out early. As the mortgage documents do not provide a formula for prepayment, all the principal and interest due as if the mortgage was fully matured, less what the mortgagee has already paid, would be due and payable at prepayment. MMAH has advised the Receiver as to the method of calculating the prepayment penalty as being based on the interest rate differential between the loan/mortgage rate and interest rates which could have been obtained if the funds received from the prepayment were invested at the Government of Canada bond yields for the length of the prepayment period.

34. The Receiver has reviewed the claim filed by CMHC and the explanations provided by MMAH and is prepared on the basis of such explanations to recommend that this Honourable Court approve CMHC's claim.
35. CMHC has advised that it will be unable to provide an updated discharge statement to January 4, 2021 on or before the scheduled hearing date for this

motion of January 4, 2021. Having regard to the interest payable in connection with the CMHC Mortgage and the December 1, 2020 Discharge Statement amount, the Receiver estimates the discharge amount on or about January 4, 2021 of the CMHC Mortgage as being in the range of between \$500,000 and \$514,000 (the “**Adjusted CMHC Discharge Amount**”).

36. The Receiver received an opinion from Torkin (“**Opinion on CMHC Security**”) that subject to the qualifications referenced in the opinion, the CMHC Mortgage has been validly registered and constitutes a valid and binding obligation of ALPHA in favour of CMHC and is enforceable by CMHC in accordance with its mortgage terms against the Receiver. A copy of the Opinion on CMHC Security is attached hereto as **Appendix “M”**.
37. The Receiver therefore requests that it be authorized to pay to CMHC the Adjusted CMHC Discharge Amount upon receiving confirmation from CMHC as to its calculation of the amount payable as of January 4, 2021 and provided that such amount does not exceed \$525,000.

V. RECEIVER’S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

38. Attached to this report as **Appendix “N”** is the R&D. During this period, receipts were \$1,235,254 while disbursements were \$430,147, resulting in a net cash surplus of \$805,107.

VI. PROPOSED DISTRIBUTION

39. As set out above, the excess of the Receiver’s receipts over disbursements as at December 22, 2020 is \$805,107. At this time, the Receiver is seeking an Order

authorizing the Receiver to distribute the Adjusted CMHC Discharge Amount to CMHC provided that such amount does not exceed \$525,000.

40. On December 19, 2020, counsel for the Province advised the Receiver that the preference of the Province would be that ALPHA be formally wound up and dissolved. The Receiver is currently investigating the most cost-efficient means of accomplishing this request. It is the Receiver's intention to return to Court to seek such further authorizations as may be necessary to effect the wind-up and dissolution of ALPHA. In addition, the Receiver will apply to Court for an Order(s) authorizing distribution of the "unsecured" claims of the Province and CRA, as well as for the Receiver's discharge.

VII. PROFESSIONAL FEES

41. The Receiver's accounts total \$48,248.00 in fees, \$22.70 in disbursements plus HST of \$6,275.22 for a total amount of \$54,545.92 for the period August 1, 2019 to November 30, 2020 (the "**Receiver's Accounts**"). Copies of the Receiver's Accounts, setting out the total billable hours charged per the accounts, are attached to the Affidavit of Daniel Weisz sworn December 23, 2020 that is attached to this report as **Appendix "O"**.
42. The accounts of the Receiver's counsel, Torkin, total \$19,623.86 in fees and disbursements and \$2,506.95 in HST for a total of \$22,130.81 (the "**Torkin Accounts**") for the period August 1, 2019 to November 30, 2020. A copy of the Torkin Accounts, together with a summary of the personnel, hours and hourly rates described in the Torkin Accounts, supported by the Affidavit of S. Fay Sulley sworn December 23, 2020 is attached to this report as **Appendix "P"**.

VIII. CONCLUSION

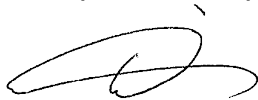
43. The Receiver respectfully requests that the Court grant an Order which provides for the following:

- (i) authorizing the Receiver to pay to CMHC the Adjusted CMHC Discharge Amount provided that such amount does not exceed \$525,000;
- (ii) approving the Third Report and the Receiver's conduct and activities described herein;
- (iii) approving the R&D;
- (iv) approving the Receiver's Accounts; and
- (v) approving the Torkin Accounts.

All of which is respectfully submitted to this Court as of this 23rd day of December, 2020.

RSM CANADA LIMITED

In its capacity as Court Appointed Receiver and Liquidator of
Apartments for Living for Physically Handicapped Association
and not in its personal capacity



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



THE HONOURABLE)

MONDAY, THE 4TH

JUSTICE GILMORE)

DAY OF JANUARY, 2021

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

-and-

APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION

Respondent

APPLICATION FOR A WINDING-UP ORDER AND THE APPOINTMENT OF A
RECEIVER AND LIQUIDATOR PURSUANT TO THE *CORPORATIONS ACT*, R.S.O. 1990,
c C.38 AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c C.43

ORDER

THIS MOTION, made by RSM Canada Limited in its capacity as the Court-appointed receiver and liquidator (the "Receiver") of all of the assets, undertakings and properties of Apartments For Living For Physically Handicapped Association ("ALPHA"), including all proceeds thereof (collectively, the "Property") for an order authorizing the Receiver to pay, as an interim distribution of funds in the receivership of ALPHA, certain amounts to the Canada Mortgage and Housing Corporation ("CMHC") and other ancillary relief, was heard this day by the Court via zoom videoconference.

ON READING the Third Report of the Receiver dated December 23, 2020 (the "Third Report"), the affidavits of the Receiver and its counsel as to fees appended to the Third Report (the "Fee Affidavits"), and on hearing the submissions of counsel for the Receiver,

1. THIS COURT ORDERS that service of the within motion is hereby validated and abridged and further service thereof is hereby dispensed with such that the motion is properly returnable today, January 4, 2021.
2. THIS COURT ORDERS that the Third Report, the Receiver's Interim Statement of Receipts and Disbursements contained therein and the activities and conduct of the Receiver as set out therein, are hereby approved.
3. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Third Report and the Fee Affidavits, are hereby approved.
4. THIS COURT ORDERS that the Receiver is hereby authorized and directed to pay to CMHC, as an interim distribution, funds in an amount equal to the Adjusted CMHC Discharge Amount, as defined in the Third Report, which payment shall not exceed \$525,000 unless otherwise authorized by Court Order.



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

JAN 05 2021

PER / PAR: 

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

-and-

APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION
Respondent

Court File No. CV-18-596938-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197
Fax: 1-877-689-3872

Lawyers for the Receiver, RSM Canada Limited

Wong, Brenda

From: Gilmore, Madam Justice Cory (SCJ)
Sent: Monday, January 4, 2021 9:46 AM
To: Stewart Thom
Cc: JUS-G-MAG-CSD-Toronto-SCJ Commercial List
Subject: HMQ v. ALPHA - Court File No. CV-18-596938-CL
Attachments: HMQ v. ALPHA Signed Distribution Order January 4 2021.pdf

This is an external email.

Mr. Thom. See my endorsement below.

Endorsement of Gilmore, J.

This is an unopposed motion brought by the Receiver for an interim distribution order to pay out CMHC and to approve the Receiver's Third Report. I have reviewed the materials and see no reason not to sign the draft Order presented. It is attached.

A handwritten signature in blue ink, appearing to read "C. Gilmore J.", is written over the text of the endorsement.

Madam Justice Cory A. Gilmore
Ontario Superior Court of Justice
361 University Avenue
4th Floor
Toronto, Ontario
M5G 1T3

RSM Canada Limited
Court Appointed Receiver and Liquidator of
Apartments for Living for Physically Handicapped Association
Interim Statement of Receipts and Disbursements
For the period July 5, 2018 to September 30, 2021

Receipts	
Cash	\$ 483,795
Provincial subsidy (1)	100,730
Sale of property	630,000
Interest earned	21,258
Other	220
Total receipts	\$ <u>1,236,003</u>
Disbursements	
Commission on sale of property	\$ 31,500
Insurance	4,400
Legal fees (to Dec. 31, 2020)	54,987
Miscellaneous	2,797
Mortgage payments (2)	143,640
Property Manager	13,178
Receiver's fees (to May 31, 2021)	154,031
Repairs and maintenance	7,441
Security	2,866
Utilities	9,656
HST/PST paid	34,279
Total disbursements	\$ <u>458,775</u>
Excess of receipts over disbursements	777,228
Less: Payments to secured creditor (3)	(508,748)
Net funds on hand	\$ <u><u>268,480</u></u>

Note: (1) This amount is the total of the monthly MOHLTC Supportive Housing subsidy received by ALPHA up until January 31, 2019.

(2) The net amount of \$4,763.01 is payable monthly on account of the CMHC mortgage, after deduction of a federal subsidy of \$749.48. The federal subsidy is not recorded above as it is not a cash receipt.

(3) This represents payment in full of the first mortgage held by Canada Mortgage and Housing Corporation.

This Appendix forms part of the Fourth Report of the Receiver dated October 22, 2021 and should only be read in conjunction therewith.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

- and -

**APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION**

Respondent

AFFIDAVIT OF DANIEL WEISZ
(Sworn October 19, 2021)

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 an order of the Court dated July 5, 2018, RSM Canada Limited was appointed receiver and liquidator (the "Receiver"), without security, of all of the assets, undertakings and properties of Apartments for Living for Physically Handicapped Association ("ALPHA"), including all proceeds thereof.

3. Attached hereto and marked as Exhibit "A" to this my affidavit are copies of invoices issued by RSM for fees and disbursements incurred by the Receiver in respect of these proceedings for the period December 1, 2020 to September 30, 2021 (the "Period"). The total fees charged for the Period are \$12,886.50, plus disbursements of \$12.86, and HST of \$1,676.92 for a total of \$14,576.28. The average hourly rate charged during the Period was \$465.22.

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 October 19, 2021,)
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 19th DAY OF OCTOBER, 2021**



A Commissioner, etc.

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



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
Court-appointed Receiver and Liquidator of Apartments
For Living For Physically Handicapped Association
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date January 11, 2021

Client File 7833384
Invoice 27
No. 6208519

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Liquidator of Apartments For Living For Physically Handicapped Association ("ALPHA") for the period ending December 31, 2020.

Date	Professional	Description
12/02/2020	Brenda Wong	Download online bank statement and submit cheque requisition for December 1 CMHC mortgage payment.
12/02/2020	Daniel Weisz	Discussion with B. Wong re report to court.
12/03/2020	Daniel Weisz	Review and sign letter re redemption of short-term investments.
12/03/2020	Brenda Wong	Return call from Canada Revenue Agency; update calculation of claims; prepare letter to BMO Bank of Montreal to redeem the funds invested in short-term investments.
12/04/2020	Brenda Wong	Update estimate of interest earned re the claim submitted by Her Majesty the Queen in right of Ontario.
12/07/2020	Daniel Weisz	Review and respond to A. Sinnadurai of the Ministry of the Attorney General.
12/07/2020	Brenda Wong	Review summary of activities; review updated calculation of claims and funds available for distribution and email to D. Weisz re same.
12/08/2020	Anne Baptiste	Post redemption of short-term investments in Ascend.
12/09/2020	Anne Baptiste	Prepare bank reconciliation.
12/14/2020	Daniel Weisz	Review schedule of estimated funds available for distribution and email to S. Thom of Torkin Manes LLP ("Torkin") re same; review summary of activities; discussion with S. Thom re potential funds available.
12/15/2020	Donna Nishimura	Prepare cheque requisition for payment of invoice and submit for payment.
12/16/2020	Daniel Weisz	Process electronic payment.
12/17/2020	Anne Baptiste	Post disbursement in Ascend.

Date	Professional	Description
12/18/2020	Daniel Weisz	Discussion with S. Thom re his discussion with A. Sinnadurai and finalization of the report to court.
12/21/2020	Daniel Weisz	Discussion with S. Thom re request to wind up the company and the Receiver's report to court and discussion with B. Wong on same.
12/22/2020	Daniel Weisz	Email to S. Thom re report to court; process electronic payment; discussion with S. Thom re considerations re report and winding up of ALPHA; discussion with S. Thom re winding up considerations; review S. Thom changes to report and update the report; review and update affidavit of fees; prepare email for L. Godel of Torkin.
12/22/2020	Brenda Wong	Compile and update appendices for report; update Statement of Receipts and Disbursements; email to Torkin to confirm balance outstanding and prepare cheque requisition for payment of Torkin invoice; review changes to and make additional edits to draft report; reference report to source documents.
12/23/2020	Anne Baptiste	Post disbursement in Ascend.
12/23/2020	Daniel Weisz	Finalize report to court, swear affidavit; discussion with S. Thom re matters relating to winding up the corporation.
		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	8.80	\$ 595	\$ 5,236.00
Brenda Wong, CIRP, LIT	Senior Manager	3.60	\$ 485	1,746.00
Anne Baptiste/Donna Nishimura	Estate Administrator	0.60	\$ 110	66.00
Total hours and professional fees		13.00		\$ 7,048.00
HST @ 13%				916.24
Total payable				\$ 7,964.24

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.



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
Court-appointed Receiver and Liquidator of Apartments
For Living For Physically Handicapped Association
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date February 3, 2021

Client File 7833384
Invoice 28
No. 6227769

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Liquidator of Apartments For Living For Physically Handicapped Association (“ALPHA”) for the period ending January 31, 2021.

Date	Professional	Description
01/03/2021	Brenda Wong	Review updated Canada Mortgage and Housing Corporation (“CMHC”) payout statement.
01/03/2021	Daniel Weisz	Review draft Notice of Motion and provide comments to S. Thom of Torkin Manes LLP; review updated draft order and email to S. Thom re same.
01/04/2021	Brenda Wong	Arrange for posting of motion record and report to Receiver’s engagement website; prepare cheque requisition and submit EFT request for payout to CMHC; check online banking for January 2021 mortgage payment and prepare cheque requisition re same.
01/04/2021	Daniel Weisz	Prepare for and attend Court application for an order authorizing payment of an interim distribution to CMHC; email to B. Wong re same; review court order issued and Endorsement; process electronic payment and email to the Ministry of the Attorney General (“Ministry”) re same; review and respond to email from A. Sinnadurai of the Ministry.
01/04/2021	Anne Baptiste	Post disbursements in Ascend.
01/05/2021	Daniel Weisz	Review issued and entered court order.
01/11/2021	Brenda Wong	Review summary of activities.
01/11/2021	Daniel Weisz	Review and update summary of activities.
01/11/2021	Donna Nishimura	Prepare cheque requisition for payment of invoice and submit for payment.
01/12/2021	Anne Baptiste	Prepare bank reconciliation.
01/18/2021	Daniel Weisz	Review Torkin Manes account and forward to B. Wong for payment.
01/19/2021	Daniel Weisz	Process electronic payment.
01/19/2021	Anne Baptiste	Post disbursement in Ascend.

Date	Professional	Description
01/20/2021	Daniel Weisz	Discussion with S. Thom re status of dissolution of the corporation.
01/21/2021	Anne Baptiste	Post disbursement in Ascend.
01/28/2021	Daniel Weisz	Discussion with S. Thom re status and review files re information requested.
		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	2.40	\$ 595	\$ 1,428.00
Brenda Wong, CIRP, LIT	Senior Manager	0.60	\$ 485	291.00
Anne Baptiste/Donna Nishimura	Estate Administrator	0.80	\$ 110	88.00
Total hours and professional fees		<u>3.80</u>		\$ 1,807.00
HST @ 13%				234.91
Total payable				\$ 2,041.91

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



GST/HST: 80784 1440 RT 0001

RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
Court-appointed Receiver and Liquidator of Apartments
For Living For Physically Handicapped Association
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 23, 2021

Client File 7833384
Invoice 29
No. 6377405

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Liquidator of Apartments For Living For Physically Handicapped Association (“ALPHA”) for the period February 1 to May 31, 2021.

Date	Professional	Description
2/3/2021	Daniel Weisz	Review summary of activities.
2/3/2021	Donna Nishimura	Prepare cheque requisition for payment of invoice and submit for payment.
2/4/2021	Anne Baptiste	Post disbursement.
2/10/2021	Brenda Wong	Review funds on hand and prepare letter to BMO Bank of Montreal to invest in a short-term investment.
2/11/2021	Brenda Wong	Receipt of email re funds invested in short-term investment, review certificate and prepare cheque requisition.
2/16/2021	Anne Baptiste	Prepare bank reconciliation.
2/24/2021	Anne Baptiste	Post investment of funds in a short-term investment.
3/5/2021	Daniel Weisz	Email to S. Thom of Torkin Manes LLP re status of winding up of ALPHA and discussion with S. Thom re same.
3/11/2021	Brenda Wong	Respond to email inquiry re status from Bell Canada.
3/12/2021	Anne Baptiste	Prepare bank reconciliation.
3/24/2021	Anne Baptiste	Update bank reconciliation.
3/31/2021	Brenda Wong	Email B. Oza re preparation of 2021 corporate tax return.
3/31/2021	Li Nong	T2 preparation including matters relating to same.
4/1/2021	Brenda Wong	Compile information for preparation of 2021 CT return.
4/1/2021	Daniel Weisz	Discussion with S. Thom re status of the receivership administration.
4/7/2021	Brenda Wong	Send 2021 corporate tax worksheet and supporting documents to G. Tamber.
4/7/2021	Daniel Weisz	Review schedule re preparation of corporate tax return.

Date	Professional	Description
4/9/2021	Anne Baptiste	Prepare bank reconciliation.
4/13/2021	Brenda Wong	Review email from S. Thom and update estimate of closing cash.
5/4/2021	Brenda Wong	Respond to call from Canada Revenue Agency re status of receivership; review summary of activities; email to D. Weisz re status.
5/4/2021	Daniel Weisz	Review summary of activities.
5/6/2021	Anne Baptiste	Prepare bank reconciliation.
5/10/2021	Brenda Wong	Attend call with D. Weisz and S. Thom to discuss status.
5/10/2021	Daniel Weisz	Prepare for and attend call with S. Thom and B. Wong to discuss finalization of the receivership proceedings.
5/13/2021	Gurpreet Tamber	Review 2021 return.
5/14/2021	Gurpreet Tamber	Call with B. Oza to discuss return; update return based on B. Oza's comments.
5/18/2021	Brenda Wong	Review draft T2 return and prepare copy for filing.
5/18/2021	Daniel Weisz	Review and sign corporate tax return; email to B. Wong re same.
5/19/2021	Brenda Wong	Prepare cover letter for submission of corporate tax return and arrange for return to be sent via registered mail.
		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	1.70	\$ 595	\$ 1,011.50
Brenda Wong, CIRP, LIT	Senior Manager	4.30	\$ 485	2,085.50
Gurpreet Tamber	Supervisor*	1.00	\$ 345	345.00
Li Nong	Associate*	1.50	\$ 120	180.00
Anne Baptiste/Donna Nishimura	Estate Administrator	1.10	\$ 110	121.00
Total hours and professional fees		9.60		\$ 3,743.00
Disbursements				
Registered Mail			<u>\$ 12.86</u>	
Total disbursements				12.86
Total professional fees and disbursements				3,755.86
HST @ 13%				488.26
Total payable				\$ 4,244.12

*RSM Canada LLP

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.



RSM CANADA LIMITED
Licensed Insolvency Trustee
11 King St W, Suite 700, Box 27
Toronto, ON M5H 4C7

GST/HST: 80784 1440 RT 0001

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

To RSM Canada Limited
Court-appointed Receiver and Liquidator of Apartments
For Living For Physically Handicapped Association
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date October 18, 2021

Client File 7833384

Invoice 30

No. 6464330

For professional services rendered with respect to the appointment of RSM Canada Limited as Court-appointed Receiver and Liquidator of Apartments For Living For Physically Handicapped Association (“ALPHA”) for the period June 1 to September 30, 2021.

Date	Professional	Description
6/9/2021	Anne Baptiste	Prepare bank reconciliation.
6/23/2021	Daniel Weisz	Review summary of activities.
6/23/2021	Donna Nishimura	Prepare cheque requisition for payment of invoice and submit for payment.
6/24/2021	Daniel Weisz	Process electronic payment.
6/25/2021	Anne Baptiste	Post disbursement.
7/7/2021	Anne Baptiste	Prepare bank reconciliation.
8/5/2021	Anne Baptiste	Prepare bank reconciliation.
8/16/2021	Daniel Weisz	Discussion with S. Thom of Torkin Manes LLP re the status of the receivership administration.
9/9/2021	Anne Baptiste	Prepare bank reconciliation.
		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	0.30	\$ 595	\$ 178.50
Anne Baptiste/Donna Nishimura	Estate Administrator	1.00	\$ 110	110.00
Total hours and professional fees		<u>1.30</u>		\$ 288.50
HST @ 13%				37.51
Total payable				\$ 326.01

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.

**THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN REMOTELY
BEFORE ME THIS 19th DAY OF OCTOBER, 2021**



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
Apartments for Living for Physically Handicapped Association
Summary of Receiver's Fees
For the Period December 1, 2020 to September 30, 2021**

Invoice Date	Period	Hours	Fees	Disb.	HST	Total	Average Hourly Rate
11-Jan-21	December 1 to 31, 2020	13.0	\$7,048.00	\$ -	\$916.24	\$7,964.24	\$542.15
3-Feb-21	January 1 to 31, 2021	3.8	1,807.00	-	234.91	2,041.91	\$475.53
23-Jun-21	February 1 to May 31, 2021	9.6	3,743.00	12.86	488.26	4,244.12	\$389.90
18-Oct-21	June 1 to September 30, 2021	1.3	288.50	-	37.51	326.01	\$221.92
Total		27.7	\$ 12,886.50	\$12.86	\$1,676.92	\$14,576.28	\$465.22

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

-and-

APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION

Respondent

APPLICATION FOR A WINDING-UP ORDER AND THE APPOINTMENT OF A
RECEIVER AND LIQUIDATOR PURSUANT TO THE *CORPORATIONS ACT*, R.S.O. 1990,
c C.38 AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c C.43

AFFIDAVIT OF LINDA GODEL

I, Linda Godel, of the City of Toronto, in the Province of Ontario, MAKE OATH AND
SAY:

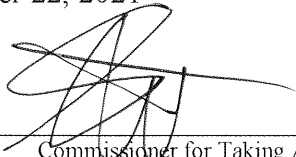
1. I am a Lawyer with the law firm of TORKIN MANES LLP (“**Torkin Manes**”), which has been engaged as independent counsel to RSM Canada Limited (“**RSM**”), in its capacity as receiver and liquidator (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Apartments for Living for Physically Handicapped Association and as such have knowledge of the matters to which I hereinafter depose either through my own knowledge or by informing myself with respect thereto in which case I have indicated the source of my information and belief.
2. Attached hereto as **Exhibit "A"** are true copies of the accounts issued by Torkin Manes to RSM, in its capacity as Receiver, which includes detailed descriptions of work performed for the

period from December 7, 2020 to and including October 21, 2021. The total fees charged by Torkin Manes to RSM during this period were \$16,418.00, plus HST of \$2,134.34, plus disbursements of \$353.78, plus HST on disbursements of \$4.39, for a total amount of \$18,910.51.

3. I confirm that the attached accounts accurately reflect the services provided by Torkin Manes in this matter and the fees and disbursements claimed by it during the period described above.

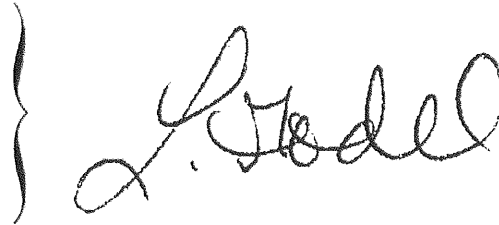
4. Additionally, attached hereto as **Exhibit "B"** is a summary of additional information with respect to the aforesaid accounts indicating the year of call to the bar, time charged and hourly rates of those lawyers referenced in the aforesaid accounts.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on October 22, 2021



Commissioner for Taking Affidavits
(or as may be)

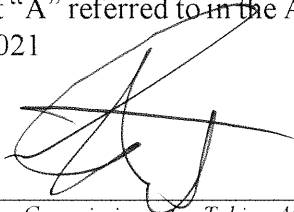
STEWART THOM



LINDA GODEL

RCP-E 4D (July 1, 2007)

This is Exhibit "A" referred to in the Affidavit of Linda Godel sworn
October 22, 2021

A handwritten signature in black ink, appearing to be 'STEWART THOM', written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

STEWART THOM

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, Ontario M5C 2W7

Tel: 416-863-1188
Fax: 416-863-0305
www.torkinmanes.com



December 31, 2020

Invoice No.: 343243, 343747

Attention: Daniel Weisz
RSM Canada
11 King St. W., Suite 700
Toronto, ON M5H 4C7

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership of Apartments for Living for Physically
Handicapped Association
File No.: 34487.0003

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

Dec 07 20	SDT	Communications with Receiver and HMQ re payout statement for CMHC mortgage; discussions with receiver re same	0.60
Dec 14 20	SDT	Communications with receiver re issues for distribution motion and projected surplus	0.30
Dec 17 20	SDT	Communications with MAG re claims of HMQ, CRA, CMHC, funds available for distribution and projections as to surplus; discussions re winding up or dissolution of ALPHA	0.60
Dec 18 20	SDT	Communications with Receiver and MAG re dissolution of ALPHA and current CMHC discharge calculations	0.30
Dec 22 20	SDT	Revisions to Receiver Third Report re distribution; communications with Receiver re same; communications with Linda Godel re wind up of ALPHA and related issues; communication with	6.70

Receiver re wind up issues and steps to completion; review of relevant provisions of Corporations Act, Charities Accounting Act, application for Certificate of Dissolution and Articles of Dissolution procedures and required documentation; communications with Receiver re same; further revisions to Third Report; received and reviewed Receiver comments on revised Third Report

Dec 22 20	LG	Discussion with Stewart Thom regarding; winding up; e-mail from Daniel Weisz; e-mail to Stewart Thom	0.80
-----------	----	--	------

Dec 23 20	SDT	Further discussions with Linda Godel re issues relating to winding up of ALPHA; discussions with receiver re same; preparation of fee affidavit; finalization of Third Report and Appendices; preparation of Notice of Motion; revisions to Notice of Motion; finalization of motion record; service of materials	4.70
-----------	-----	---	------

Dec 23 20	LG	Discussions with Stewart Thom; telephone call to Cynthia Spencer at Public Guardian and Trustee on no-names basis; e-mail to Stewart Thom regarding same	1.30
-----------	----	--	------

Total Hours: 15.30

OUR FEE:	\$7,786.50
H.S.T.:	\$1,012.25
SUB-TOTAL:	<u>\$8,798.75</u>

LAWYERS' SUMMARY: FEES SUBJECT TO HST:

LAWYERS AND LEGAL ASSISTANTS INVOLVED	HOURLY RATE	HOURS WORKED
Stewart Thom	500.00	13.20
Linda Godel	565.00	2.10
TOTAL HOURS		15.30
TAXABLE DISBURSEMENTS:		
Laser copies	4.80	
	<u>4.80</u>	
Total Disbursements	\$4.80	
HST on Disbursements	\$0.62	
TOTAL DISBURSEMENTS & HST		<u>\$5.42</u>
TOTAL FEE, DISBURSEMENTS & HST		\$8,804.17
BALANCE DUE AND OWING BY YOU		\$8,804.17

TORKIN MANES LLP



Per: _____
Barry A. Cohen
E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year

Torkin Manes LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, Ontario M5C 2W7

Tel: 416-863-1188
Fax: 416-863-0305
www.torkinmanes.com



October 21, 2021

Invoice No.: 690701

Attention: Daniel Weisz
RSM Canada Limited
11 King St. W., Suite 700
Toronto, ON, M5H 4C7

ACCOUNT FOR PROFESSIONAL SERVICES RENDERED

RE: Receivership of Apartments for Living for Physically
Handicapped Association
File No.: 34487.0003

TO PROFESSIONAL SERVICES RENDERED HEREIN AS FOLLOWS:

2021-01-04	Stewart Thom	.5	262.50	Attendance on Motion
2021-01-13	Stewart Thom	.3	157.50	Communications with L Godel re wind up issues
2021-01-13	Linda Godel	.3	177	Communications with S. Thom re non share capital corporation wind up and dissolution research
2021-01-14	Linda Godel	.2	118	Communications with L Crosby re wind up research and document review
2021-01-14	Lauren Crosby	.3	112.50	Communications with L Godel
2021-01-21	Lauren Crosby	1	375	Review of materials re receivership proceeding

2021-01-22	Lauren Crosby	.7	262.50	Review of letters patent and corporate records re ALPHA
2021-01-28	Lauren Crosby	1.7	375	Review of relevant legislation re wind up and related issues
2021-01-29	Lauren Crosby	1.2	787.5	Review of ITA, OCA and consideration of issues re completion of wind up
2021-02-10	Lauren Crosby	1.5	562.50	Memorandum re ALPHA wind up and dissolution issues
2021-02-11	Lauren Crosby	2	750	Re memorandum re winding up of ALPHA
2021-02-24	Linda Godel	.5	295	Consultation with L Crosby re ALPHA memorandum
2021-02-24	Lauren Crosby	.5	187.5	Communications with L Godel
2021-04-01	Stewart Thom	.5	262.50	Communications re ALPHA wind up
2021-04-01	Linda Godel	.4	236	Communications re ALPHA wind up
2021-08-18	Stewart Thom	.9	472.50	Communications with Linda Godel; communications with Receiver; communications with Court re scheduling of motion for discharge of receiver
2021-08-18	Linda Godel	.1	59	Communications with S Thom
2021-10-19	Stewart Thom	2	1050	Communications with Counsel for Province re wind up issues and motion materials re wind up; review and revise draft report
2021-10-20	Stewart Thom	1.7	892.50	Preparation of Notice of Motion and finalization of report

2021-10-20	Linda Godel	1.3	767	Review of draft materials and comment re same
2021-10-21	Stewart Thom	.7	682.50	Finalization of materials

LAWYERS' SUMMARY: FEES SUBJECT TO HST:

LAWYERS AND LEGAL ASSISTANTS INVOLVED	HOURLY RATE	HOURS WORKED
Stewart Thom	525.00	6.6
Linda Godel	590.00	3.1
Lauren Crosby	375.00	8.9
TOTAL HOURS		18.6
TOTAL FEES		8631.50
HST on fees		1122.10
FEES TOTAL		9753.60
Total Disbursements	\$348.98	
HST on Disbursements	<u>\$3.77</u>	
TOTAL DISBURSEMENTS & HST		<u>352.75</u>
TOTAL FEE, DISBURSEMENTS & HST		\$10,106.35

Page 4
October 21, 2021
Our File No.: 34487.0003
Invoice # 690701

Torkin|Manes
Barristers & Solicitors

BALANCE DUE AND OWING BY YOU

\$10,106.35

TORKIN MANES LLP

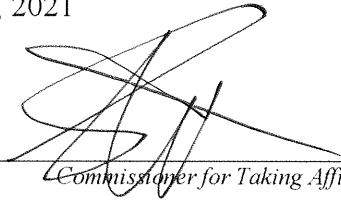


Per: _____
Stewart D. Thom
E. & O. E.

HST REGISTRATION NUMBER: R117245456

Payment is due upon receipt.
Interest will be charged pursuant to the Solicitors Act at the
rate of 1.0 percent per year

This is Exhibit "B" referred to in the Affidavit of Linda Godel sworn
October 22, 2021

A handwritten signature in black ink, appearing to be 'STEWART THOM', written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

STEWART THOM

Summary of Additional Lawyer Information

<u>Name</u>	<u>Year of Call</u>	<u>Hours Billed</u>	<u>Hourly Rate</u>	<u>Total Billed</u>
Stewart Thom	2008	13.20	\$500.00	\$6,600.00
		6.60	\$525.00	\$3,465.00
Linda Godel	1989	2.10	\$565.00	\$1,186.50
		3.10	\$590.00	\$1,829.00
Lauren Crosby	2017	8.90	\$375.00	\$3,337.50
TOTAL				<u>\$16,418.00</u>

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO

Applicant

-and- APARTMENTS FOR LIVING FOR PHYSICALLY
HANDICAPPED ASSOCIATION
Respondent

Court File No. CV-18-596938-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF LINDA GODEL

TORKIN MANES LLP
Barristers & Solicitors
151 Yonge Street, Suite 1500
Toronto, ON M5C 2W7

Stewart Thom (55695C)
sthom@torkinmanes.com
Tel: 416-777-5197

Lawyers for the Receiver, RSM Canada Limited

RCP-E 4C (May 1, 2016)