

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

2292912 ONTARIO INC.

Applicant

- and -

2380009 ONTARIO LIMITED

Respondent

SECOND SUPPLEMENTAL REPORT TO THE
FOURTH REPORT OF THE RECEIVER OF
2380009 ONTARIO LIMITED

November 29, 2017

Table of Contents

I. INTRODUCTION	1
II. DEBTOR'S LIABILITY TO 229.....	2
III. SECURED OR PRIORITY CLAIMS – CANADA REVENUE AGENCY	2
IV. PROFESSIONAL FEES	3
V. CONCLUSION.....	3

Appendices

Mortgage Statement.....	A
Affidavit of Daniel Weisz.....	B

I. INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (Commercial List) ("**Court**") dated February 7, 2017 (the "**Appointment Order**"), Collins Barrow Toronto Limited ("**CBTL**") was appointed receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of 2380009 Ontario Limited ("**238**" or the "**Debtor**") acquired for, or used in relation to the business carried on by the Debtor, including all proceeds thereof.
2. The fourth report of the Receiver dated November 23, 2017 (the "**Fourth Report**") was prepared and served on November 23, 2017. The purpose of the Fourth Report, among other things, was to seek an order (i) authorizing and directing the Receiver to carry out the terms of the agreement of purchase and sale between the Receiver and "David Chen in Trust for a Company to be Incorporated and Without Personal Liability" dated October 12, 2017 in connection with the sale of the Property and (ii) authorizing the Receiver to pay the proposed Interim Distribution.
3. The purpose of this Second Supplemental Report to the Fourth Report ("**Second Supplemental Report**") is to:
 - i) provide information on the Debtor's liability to 2292912 Ontario Inc. ("**229**") as of November 24, 2017;
 - ii) provide additional information with respect to 238's HST liability; and
 - iii) to seek approval of the Receiver's account for the period November 1, 2017 to November 24, 2017.

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4. The Second Supplemental Report should be read in conjunction with the Fourth Report. Defined terms in this Second Supplemental Report have, unless indicated otherwise herein, the same meanings as set out in the Fourth Report. The Terms of Reference included in the Fourth Report also apply to the Second Supplemental Report.
 5. Unless otherwise stated, all dollar amounts contained in the Second Supplemental Report are expressed in Canadian dollars.

II. DEBTOR'S LIABILITY TO 229

6. As of November 24, 2017, the amount owed by the Debtor to 229 was \$4,163,126.13 (the "**Indebtedness**"). Included in the Indebtedness are (i) the advances to the Receiver of \$500,000 secured by Receiver Certificates No. 1, 2 and 3 and accrued interest thereon; and (ii) additional legal costs incurred of \$10,000. A copy of the mortgage statement of 229 setting out the amount owed to 229 is attached hereto as Appendix "A".
7. At this time, the Receiver seeks to make an interim distribution to 229 to repay the total amount owed to 229 by the Debtor (the "**Interim Distribution**").

III. SECURED OR PRIORITY CLAIMS – CANADA REVENUE AGENCY

8. At paragraph 70-71 of the Receiver's Fourth Report, reference is made to the filing by BuiltRite/238 of an election for closely related companies which, if accepted, could have reduced or eliminated BuiltRite's liability to 238 for payment of HST of \$86,580. On November 28, 2017, the Receiver was verbally informed by CRA that 238/BuiltRite's election has been denied for the following reasons:

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- i) 238/BuiltRite had not provided supporting documentation to show that 238 holds 100% of the common shares of BuiltRite; and
 - ii) the election was in respect of the period commencing January 1, 2014, however, BuiltRite was not incorporated until February 19, 2014 thereby rendering the election invalid.

IV. PROFESSIONAL FEES

9. The Receiver's account totals \$21,691.00 in fees and disbursements plus HST of \$2,819.83 for a total amount of \$24,510.83 for the period November 1, 2017 to November 24, 2017 (the "**Receiver's November Account**"). A copy of the Receiver's November Account setting out the total billable hours charged per the account is set out in the Affidavit of Daniel Weisz sworn November 28, 2017 that is attached to this report as **Appendix "B"**. The average hourly rate charged in the account is \$441.77.

V. CONCLUSION

10. Based on the information set out in the Fourth Report and in this Second Supplemental Report, the Receiver respectfully requests that, in addition to that relief addressed in the Fourth Report, the Court make an Order on December 5, 2017 approving this Second Supplemental Report and the Receiver's November Account.

All of which is respectfully submitted to this Court as of this 29th day of November, 2017.

COLLINS BARROW TORONTO LIMITED

In its capacity as Court Appointed Receiver
of 2380009 Ontario Limited and
not in its personal capacity



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



25 Price Street
Toronto, ON M4W 1Z1
T 416 923 9967
timbercreek.com

DISCHARGE STATEMENT

Date: 24 November 2017

To: **2380009 Ontario Ltd.**
2370 South Sheridan Way
Mississauga, ON.

RE: Mortgage number 12-55
Mortgagor 2380009 Ontario Ltd.
Property Address 2370 South Sheridan Way, Mississauga, ON.

PLEASE BE ADVISED THAT THE BALANCE OUTSTANDING UNDER THE ABOVE-MENTIONED MORTGAGE LOAN IS AS FOLLOWS:

Interest Rate	6.75%
Outstanding principal balance as at November 24, 2017	3,932,852.06
Interest February 1 st to November 24, 2017	218,290.92
Late Interest	0.00
Subtotal	4,151,142.98
Outstanding Legal Fees	1,983.15
Plus, Additional Legal Costs incurred	10,000.00
Total due November 24, 2017	4,163,126.13

Per diem interest	737.41
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****PLEASE NOTE****

Funds must be received before 2:00pm EST or an additional per diem will apply.

Any further costs incurred by the Lender or its Legal Counsel in relation to this loan and/or the discharge of this loan will be borne by the Borrower.

Please note that the preparation and registration of the discharge documents are your responsibility. Please forward to Timbercreek the discharge documents for execution, including any PPSA discharges.

Payments should be made payable to Timbercreek Mortgage Servicing Inc. Funds may be sent by wire or direct deposit. Account information available upon request.

25 Price Street
Toronto, ON M4W 1Z1
T 416.923.9967
timbercreek.com



Timbercreek Asset Management Ltd.

A handwritten signature in black ink that reads "Laura Wheller".

Laura Wheller
Senior Mortgage Officer
E&OE

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Applicant

- and -

2380009 ONTARIO LIMITED

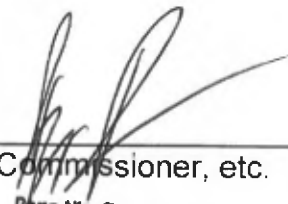
Respondent

AFFIDAVIT OF DANIEL WEISZ
(Sworn November 28, 2017)

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 Collins Barrow Toronto Limited ("**CBTL**") 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 February 7, 2017, CBTL was appointed receiver (the "**Receiver**"), without security, of all of the assets, undertakings and

THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF DANIEL WEISZ SWORN BEFORE ME
THIS 18th DAY OF NOVEMBER, 2017



A Commissioner, etc.

Bryan Allan Tannenbaum, a Commissioner, etc.,
Province of Ontario, for Collins Barrow
Toronto LLP and Collins Barrow Toronto
Limited. Expires June 8, 2019.

To Collins Barrow Toronto Limited
 Court-appointed Receiver of 2380009 Ontario Limited
 11 King Street West, Suite 700
 Toronto, ON M5H 4C7

T. 416.480.0160
 F. 416.480.2646

toronto.collinsbarrow.com

Date November 28, 2017

Client File 301618-36118

Invoice 11

No. C000575

GST/HST: 80784 1440 RT 0001

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of 2380009 Ontario Limited ("**238**" or the "**Company**") for the period November 1, 2017 to November 24, 2017.

Date	Professional	Description
11/1/2017	Brenda Wong	Respond to email from 2nd mortgagee; review Garden City revised contract and email back to them with additional changes.
11/1/2017	Daniel Weisz	Review and sign snow removal contract and discussion with B. Wong on same; review summary of activities.
11/2/2017	Cindy Baeta	Prepare disbursement cheques.
11/2/2017	Brenda Wong	Review invoices for payment; respond to request from CBRE Limited (" CBRE ") for access to 2370 South Sheridan Way for tomorrow; emails with CBRE and SG Security regarding access to roof; review changes to draft report and make additional changes.
11/3/2017	Brenda Wong	Follow up with Crowe Soberman to request copy of Trustee's preliminary report and whether there was a decision at the meeting regarding BuiltRite Technologies Inc. (" BuiltRite ") property left behind at 2370 South Sheridan Way (the "Property"); review changes to draft report and supplemental report; review APJ quote for repair of sump pump.
11/3/2017	Daniel Weisz	Review and sign cheques; review and update report to court; discussion with A. Miller of CBRE regarding Fintrac form to be executed and preliminary review of the form; review update from CBRE and forward to B. Cohen of Torkin Manes LLP (" Torkin ") and exchange emails with B. Cohen.
11/6/2017	Bryan Tannenbaum	Emails regarding authorization and direction for government and fire agencies; execute same and return to Torkin offices.
11/6/2017	Brenda Wong	Review SG Security and APJ revised invoices; review email from CBRE and respond regarding cause of basement flooding; discussion with CBRE regarding documents provided to purchaser and respond to A. English emails regarding CBRE data room and request for information.
11/6/2017	Daniel Weisz	Review and exchange emails regarding purchaser requests.
11/7/2017	Brenda Wong	Follow up with BuiltRite's accountant regarding information on RC4616 election and rent payments; follow up with CRA regarding status of RC4616 election; respond to emails from B. Cohen regarding flood in basement.

Date	Professional	Description
11/8/2017	Brenda Wong	Review Garden City invoice and email to request correction and follow up regarding Certificate of Insurance; review Certificate of Insurance received; review Trustee's Preliminary Report re BuiltRite; email to J. Tertigas of Tert & Ross Ltd. ("T&R") regarding disposal of remaining items in the yard at the Property.
11/8/2017	Daniel Weisz	Discussion with B. Wong regarding status of receipt of BuiltRite's Trustee's report; review and exchange emails with S. Thom of Torkin regarding status of court application by Eco Energy regarding its claim to priority; review BuiltRite's Trustee's report to creditors and forward same to Torkin; discussion with S. Thom regarding status of Eco Energy claim and timing for service of materials.
11/9/2017	Daniel Weisz	Attend to voicemail from S. Steele of CBRE; meet with B. Wong regarding status of turning heat on in the building, roof; review Torkin account.
11/9/2017	Brenda Wong	Discussion with J. Tertigas regarding HVAC issues and water in basement pit; email to APJ regarding cost of sump pump; email to J. Tertigas regarding obtaining 2 quotes for roof repair; email to J. Tertigas and security company to notify of contractor for snow removal.
11/10/2017	Daniel Weisz	Discussion with B. Wong regarding HVAC unit, estimate re sump pump repairs and email to Torkin regarding same.
11/10/2017	Brenda Wong	Discussions and emails with J. Tertigas regarding HVAC status; review email from APJ regarding estimated cost of sump pump; discussion with D. Weisz regarding status.
11/13/2017	Brenda Wong	Email to J. Tertigas regarding scheduling sump pump repairs; follow up with SG Security to request revised invoice; review invoices to pay.
11/13/2017	Daniel Weisz	Review emails regarding water at the building and discussion with B. Cohen re same; review and update Fourth Report to the Court and the Supplemental Report to the Fourth Report to the Court; discussion with B. Wong regarding status of quote re roof.
11/14/2017	Daniel Weisz	Review email from purchaser's counsel regarding reduction to purchase price requested, conference call with B. Wong and J. Tertigas re same; conference call with B. Wong and B. Cohen re same; discussion with S. Steele re same; discussion with B. Wong regarding access to premises.
11/14/2017	Brenda Wong	Review email from purchaser with quotes for repairs/improvements, discussion with D. Weisz and B. Cohen re same; review roofing quote, discussion with J. Tertigas regarding access to roof.
11/15/2017	Daniel Weisz	Discussion with B. Wong on status of information regarding the Property; review information sent by purchaser in preparation for call with CBRE and Torkin; discussion with APJ regarding the roof, attend conference call with B. Cohen, S. Steele and B. Wong to discuss the purchaser's comments on due diligence completed and the Receiver's position in respect of same; exchange emails with R. Finkel regarding the status of the transaction.
11/15/2017	Brenda Wong	Discussion with A. Miller of CBRE regarding November 3 site visit by purchaser; review and respond to email regarding disposal of drums on site; review and respond to email from GFL regarding credit application for work to be done; call with Torkin and CBRE regarding offer; review emails from J. Tertigas regarding quotes for HVAC/heaters.
11/16/2017	Daniel Weisz	Discussion with S. Thom regarding Eco Energy and status of report; review

Date	Professional	Description
		draft letter to H. Manis and provide comments to B. Cohen and discussion with B. Cohen regarding same; discussion with B. Wong regarding heating quotes and status of report to court; review email from H. Manis regarding offered purchase price and discussion with B. Cohen re same.
11/16/2017	Brenda Wong	Review cash position and disbursements to pay; review letter to purchaser's counsel; discussion with D. Weisz regarding heating issues.
11/17/2017	Cindy Baeta	Prepare disbursement cheques; prepare bank reconciliation.
11/17/2017	Bryan Tannenbaum	Review and sign cheques.
11/17/2017	Daniel Weisz	Discussion with B. Cohen prior to his discussion with H. Manis; review and sign cheques; discussion with B. Cohen on his discussion with H. Manis; numerous discussions and emails with B. Cohen regarding the negotiations with the purchaser and finalizing the terms of the transaction; review and sign waiver received from the purchaser; review and update the reports to court as a result of the finalization of the agreement; discussion with R. Finkel.
11/20/2017	Daniel Weisz	Review emails regarding repair of sump pump and heating issues and discuss with B. Cohen; discuss same with J. Tertigas; review draft amending agreement to agreement of purchase and sale and discuss same with B. Cohen; discussion with S. Thom regarding his discussion with F. Tayar and information required from the Receiver and send information to S. Thom; review draft response to counsel for the purchaser regarding draft amending agreement; review information received from CBRE and email to CBRE re same; discussion with R. Finkel regarding Timbercreek request; update draft reports and forward to Torkin for comments; discussions with B. Cohen re same; review revised amending agreement to agreement of purchase and sale and sign and return to A. English; meet with B. Wong regarding receipt of deposit cheques; discussion with C. Paulino regarding status of the first deposit; discussion with B. Wong regarding heating at the premises; review S. Thom revisions to Eco Energy section of report.
11/20/2017	Brenda Wong	Review email correspondence regarding sale status; review email from J. Tertigas regarding sump pump and heaters; send follow-up email to GFL regarding removal of barrels; emails and discussions with J. Tertigas regarding GFL update and portable heaters/cost and timing of HVAC installation; review write-up on Eco Energy.
11/21/2017	Daniel Weisz	Discussion with P. Jones on status of the sale of the property; discussion with B. Wong regarding HVAC quotes received; meet with J. Berger re calculating potential income taxes on sale of property; email to L. Wheller of Timbercreek requesting a statement of amount owing by 2380009 to 2292912; discussion with B. Wong regarding rental of heaters; calculation of estimated funds on hand following distribution; further update to the report regarding Eco Energy section and discussion with S. Thom regarding same; preliminary review of B. Cohen comments on draft report and discussion with S. Thom on same; discussion with B. Cohen on timing re closing of sale and corporate taxes; review B. Cohen comments on draft supplementary report; discussion with B. Wong on status of heating enquiries.
11/21/2017	Brenda Wong	Emails/call with J. Tertigas regarding heaters and obtaining quote for electrical work to install; call to Battlefield and Toromont to inquire re rental of a heater(s); review quote from Toromont; review write-up on Eco Energy

Date	Professional	Description
		issue; respond to email from secured creditor regarding status of sale.
11/22/2017	Daniel Weisz	Review analysis on heaters and discussion with B. Wong on same; discussion with S. Thom regarding report to court and timing of service of same.
11/22/2017	Brenda Wong	Follow up with Toromont and Battlefield regarding question from Campbell and Kennedy Electric Limited (" Campbell "); emails with Campbell regarding disconnection cost; discussion with D. Weisz regarding heaters; preparing statement of receipts and disbursement for Fourth Report.
11/23/2017	Brenda Wong	Review Toromont quote and email to Toromont regarding questions on quote; emails with Campbell regarding permits/inspections required; email quote to Torkin for review; review Torkin changes to report, make updates and reference Receiver's Fourth Report; prepare appendices.
11/23/2017	Daniel Weisz	Review S. Thom changes to draft report and discussion with B. Wong on same; update report; email to S. Thom regarding October 3 endorsement; email to Timbercreek requesting mortgage statement; discussion with S. Thom on draft report; review draft notice of motion and provide comments to S. Thom; finalize fourth report and sign same; finalize fee affidavit and sign same; review Toromont quote regarding heater, sign same and forward to B. Wong.
11/24/2017	Brenda Wong	Emails to J. Tertigas and Toromont regarding scheduling delivery of heater; review emails regarding scheduling of delivery; send proof of insurance to Toromont.
11/24/2017	Daniel Weisz	Email to L. Wheller regarding mortgage statement received and email to S. Thom re same; preliminary review of amendments to supplemental report to the Fourth Report and exchange emails with S. Thom regarding same.
		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
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	President	0.50	\$ 525	\$ 262.50
Daniel R. Weisz, CPA, CA, CFF, CIRP, LIT	Senior Vice President	27.80	\$ 495	13,761.00
Brenda Wong, CIRP, LIT	Senior Manager	20.30	\$ 375	7,612.50
Cindy Baeta	Estate Administrator	0.50	\$ 110	55.00
Total hours and professional fees		<u>49.10</u>		\$ 21,691.00
HST @ 13%				2,819.83
Total payable				\$ 24,510.83

PAYMENT BY VISA ACCEPTED

VISA NUMBER _____ Expiry Date _____
 Name on Card _____ Amount _____

WIRE PAYMENT DETAILS

For CA\$ Payments: For credit to the account of Collins Barrow Toronto Limited, Account No. 65-84918, Canadian Imperial Bank of Commerce
 Branch No. 00002, Commerce Court Banking Centre, Toronto, ON M5L 1G9

PLEASE RETURN ONE COPY WITH REMITTANCE

Terms: Payment upon receipt. Interest will be charged at the rate of 12% per annum (1% per month) on overdue accounts.
 The Collins Barrow trademarks are used under license.

