

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

-and-

DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.

Respondent

SECOND REPORT OF THE RECEIVER

AUGUST 18, 2017

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INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated June 16, 2016 (the “**Appointment Order**”), Collins Barrow Toronto Limited (“**CBTL**”) was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (“**Dang Variety**”) acquired for, or used in relation to a business carried on by Dang Variety, including all proceeds thereof (the “**Property**”). A copy of the Appointment Order is attached hereto as Appendix “**A**”.
2. On October 6, 2016, the Court granted an order, *inter alia*, approving the sale of the Assets (as defined in the agreement of purchase and sale) to Aurora Hotel Group, in trust (“**Aurora**”) and vesting title in same upon closing (the “**Sale Approval and Vesting Order**”). A copy of the Sale Approval and Vesting Order is attached hereto as Appendix “**B**”.
3. A detailed description of the background leading up to and appointment of the Receiver is set out in the Receiver’s first report to the Court dated September 22, 2016 (the “**First Report**”), a copy of which is attached hereto, without appendices, as Appendix “**C**”.
4. The Appointment Order, together with related Court documents, has been posted on the Receiver’s website, which can be found at <http://www.collinsbarrow.com/en/cbn/current-engagements-toronto/dang-variety-store-and-gas-bar-and-lucky-restaurant-inc>.

PURPOSE OF SECOND REPORT

5. The purpose of this second report of the Receiver (the “**Second Report**”) is to:
 - a) provide the Court with information on the activities of the Receiver since the First Report;
 - b) update the Court on the closing of the sale of the Assets;
 - c) apprise the Court of a harmonized sales tax (“**HST**”) refund owed to the Receiver, which is being held by Canada Revenue Agency (“**CRA**”) for non-filing by Dang Variety of its pre-receivership corporate income tax and HST returns;
 - d) seek an order authorizing and directing the Receiver to distribute to Daoust Vukovich LLP (“**DV LLP**”), on behalf of the Assignee (defined below) of the

security held by First Source Mortgage Corporation ("**First Source**"), the remaining funds in the Receiver's possession after payment of all remaining costs and professional fees in connection with the administration of the receivership (the "**Professional Fees**");

- e) seek an order authorizing the Receiver to pay to DV LLP any HST refund received by the Receiver and/or any funds received in connection with the receivership (the total of which is not to exceed the amounts owing under the first mortgage) and to authorize CBTL, as former Receiver, to assist in realizing on these amounts as may be reasonably required;
- f) provide the Court with a summary of the Receiver's cash receipts and disbursements for the period June 16, 2016 to August 18, 2017 and seek approval of same;
- g) seek approval of the Receiver's conduct and activities from September 22, 2016 to the date hereof;
- h) seek an order approving the fees and disbursements of (i) the Receiver to August 4, 2017, together with the estimated fees and costs to complete the administration of the receivership; (ii) the Receiver's legal counsel, Paliare, Roland Rosenberg Rothstein LLP ("**Paliare Roland**") to July 31, 2017, together with the estimated fees and costs to complete the administration of the receivership; and (iii) the Receiver's real estate counsel, Gray & Associates Professional Corporation ("**Gray & Associates**");
- i) request that the Court discharge the Receiver subject to completion of certain remaining activities described later in this Second Report and the filing of a receiver's certificate (the "**Receiver's Discharge Certificate**") with the Court by the Receiver in the form attached hereto as Appendix "D"; and
- j) upon discharge of the Receiver as provided for above, request that the Court forever release the Receiver from any and all liability that the Receiver now has or may hereafter have by reason of or in any way arising out of matters that were raised, or could have been raised in the within receivership proceeding.

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

RECEIVER'S ACTIVITIES

8. A summary of the Receiver's activities since the First Report is set out below:
 - a) discussing with the party engaged to manage the gas bar (the “**Gas Bar Manager**”): (i) daily operations, including cash receipts and sales, frequency of deposits being made to the Receiver's trust account, and fuel purchase requirements; (ii) extending the management agreement entered into between the Receiver and the Gas Bar Manager; and (iii) the closing procedures and protocol and turnover of the Property upon closing of the sale of the Assets;
 - b) reconciling credit card and cash sales reports to reports obtained from Dang Variety's fuel supplier, Amco Petroleum Ltd., and to deposits made by the Gas Bar Manager;
 - c) completing and filing the Receiver's HST returns;
 - d) discussing with and attending at the offices of Gray & Associates in respect of: (i) the closing of the sale of the Assets; (ii) the legal opinion on the validity and

enforceability of First Source's mortgage; and (iii) the review, finalization and execution of the closing documents;

- e) engaging in discussions with Aurora to obtain the balance of the deposit pursuant to the agreement of purchase and sale, and to facilitate various tests at the Property requested by Aurora;
- f) contacting all utility suppliers to inform them of the closing date for the sale of the Assets and request that they read meters and issue final bills to the Receiver;
- g) reviewing final invoices received from utility suppliers and approving payment of same, as appropriate;
- h) contacting third parties with assets on the Property and requesting they remove same;
- i) completing and sending form RC342(E) to CRA to request that CRA waive compliance for the filing of Dang Variety's pre-receivership income tax and harmonized sales tax ("HST") returns in order to have CRA release the HST refund claimed by the Receiver and following up on same;
- j) doing all things necessary to close the transaction with Aurora;
- k) engaging in discussions with CRA regarding CRA's request to perform an audit of the Receiver's claimed HST input tax credits for the period October 1, 2016 to December 31, 2016 and providing CRA with the information it requested;
- l) engaging in discussions with CRA regarding Dang Variety's HST account and closure of same, including obtaining written documentation from CRA confirming closure of the account; and
- m) preparing the Receiver's Second Report.

CLOSING OF THE SALE OF THE ASSETS

- 9. Pursuant to the agreement of purchase and sale between Aurora and the Receiver, the transaction was to close on the tenth business day following the date on which the Court granted a vesting order in favour of Aurora. As set out previously herein, the Court granted the Sale Approval and Vesting Order on October 6, 2016 and the transaction was scheduled to close on October 20, 2016.
- 10. Gray & Associates contacted the Receiver on October 13, 2016 to advise that Aurora had requested an extension of the closing date to October 28, 2016. With the concurrence of First Source, the Receiver agreed to the extension.
- 11. The transaction between Aurora and the Receiver successfully closed on October 28, 2016.

RECEIVER'S HST REFUND

- 12. As set out in the First Report, at the outset of its appointment, the Receiver contacted each of Dang Variety's principals to attempt to take possession of Dang Variety's books and records. Dang Variety's principals, Schindler and Dang (as defined in the First Report) advised that the other had possession of the books and records.
- 13. The First Report further set out that the Receiver contacted CRA to open an HST account in the Receiver's name in order to comply with the Receiver's HST filing obligations and to make any payments owed to, or collect refunds from, CRA during the receivership administration. CRA advised the Receiver that Dang Variety had never filed any corporate income tax or HST returns.
- 14. Dang Variety had registered with CRA to file Dang Variety's HST returns on a quarterly basis. The Receiver registered its HST account on the same basis and has filed its HST returns for each quarter during the receivership. Details regarding the filing periods and the amount owed and paid to CRA by, or refunds owed to, the Receiver are set out in the below table:

Filing Period	Amount Owing and Paid	Refund Amount
June 17 – June 30, 2016	-	\$1,454.71
July 1 – September 30, 2016	\$1,096.63	-
October 1 – December 31, 2016	-	18,286.79
January 1 – March 31, 2017	-	-
April 1 – June 30, 2017	-	-
Total	\$1,096.63	\$19,741.50

15. The Receiver did not receive a notice of assessment from CRA for the filing of its June 17, 2016 – June 30, 2016 HST return. On the notice of assessment dated November 2, 2016 received from CRA for the period July 1, 2016 – September 30, 2016 (the “NOA”), CRA confirmed the refund balance of \$1,454.71 claimed by the Receiver and the Receiver’s payment of \$1,096.63 for the period July 1 – September 30, 2016. The NOA also sets out that CRA has held back the Receiver’s refund as certain corporate income tax and HST returns have not been filed by Dang Variety. The notice of assessment received by the Receiver for the period October 1, 2016 to December 31, 2016 also notes that the Receiver’s refunds are being held by CRA due to Dang Variety’s non-compliance in filing its HST and income tax returns. The Receiver has not received any notices of assessment for any of the HST returns filed by the Receiver in 2017.
16. The Receiver intends to file a final HST return for the period July 1, 2017 to September 30, 2017. The amount of the Receiver’s HST refund for the third quarter of 2017 to be claimed will be equal to the amount of HST paid with respect to the Receiver’s and its counsels’ accounts.

Dang Variety HST Returns

17. CRA issued a number of arbitrary HST assessments against Dang Variety’s director, Schindler. With a view to clearing up any personal liability and ascertaining a final payment amount, in his capacity as director of Dang Variety, Schindler contacted CRA and worked with it to complete, finalize and file all pre-receivership outstanding HST returns. The Receiver understands that Schindler has paid the entire obligation owed to CRA with regard to HST.
18. The Receiver also learned that the HST number utilized by Dang Variety was used by Schindler and/or Dang prior to Dang Variety commencing business. In order to ensure

there was no past HST liability associated with the HST account, which liability pre-dated First Source advancing its mortgage, the Receiver requested of CRA that it provide, in writing, confirmation that the Dang Variety HST account was closed. By letter dated July 31, 2017 (the "**CRA Confirmation Letter**"), CRA confirmed that the HST account for Dang Variety has been closed effective June 6, 2017. A copy of the CRA Confirmation Letter is attached hereto as Appendix "**E**".

Dang Variety Income Tax Returns

19. On November 9, 2016, the Receiver faxed to CRA form RC342(E), Request by an Insolvency Practitioner for a Waiver of the Requirement to file a T2 Corporation Income Tax Return under Subsection 220 (2.1) of the *Income Tax Act* (the "**CRA Request**"). The Receiver explained therein that books of account were not kept by the principals of Dang Variety and that the Receiver is unable to file any outstanding corporate income tax or HST returns on Dang Variety's behalf as the Receiver has no records of Dang Variety in its possession. A copy of the CRA Request is attached hereto as Appendix "**F**".
20. By letter dated November 18, 2016 (the "**CRA Letter**"), CRA responded to the CRA Request by requesting various items, including details and descriptions of Dang Variety's bank accounts, records and assets and First Source's security. A copy of the CRA Letter is attached hereto as Appendix "**G**".
21. On April 6, 2017, CRA wrote to the Receiver to follow up on the CRA Letter. On April 7, 2017, the Receiver wrote to CRA and provided it with a copy of the First Report, which responds to many of the questions in the CRA Letter. On April 25, 2017, the Receiver spoke to a senior official in CRA's Insolvency Unit to discuss the Receiver's inability to file income tax or HST returns on behalf of the debtor and CRA's hold on the Receiver's HST refund and to ask that CRA address this matter with some priority, as the Receiver wished to proceed to finalize the receivership administration and to make an application to the Court for the discharge of the Receiver.
22. On or about July 19, 2017, the Receiver spoke to a representative of CRA, who asked that the Receiver re-file form RC342(E) for January 1 to December 31, 2015 and file an additional form for the period January 1 to December 31, 2016 as the corporate tax return for fiscal 2016 was now also overdue. The Trustee filed both forms on July 25, 2016. By letters dated July 27, 2017 (the "**CRA Waiver Approvals**"), CRA advised the Receiver

that it had approved the Receiver's request for a waiver for each of 2015 and 2016. A copy of the CRA Waiver Approvals are attached hereto as Appendix "H". The Receiver believes that it should receive shortly its HST refund totaling approximately \$19,000.

23. CRA is being served with the within Application for the relief sought herein.
24. As the Receiver is now proceeding for its discharge, the Receiver is seeking an Order that authorizes the Receiver to pay to DV LLP any HST refund received by the Receiver.

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

25. Attached hereto as Appendix "I" is the Receiver's statement of receipts and disbursements ("R&D") for the period June 16, 2016 to August 18, 2017. During this period receipts were \$1,660,642 and disbursements were \$918,680, before consideration of a \$685,000 interim distribution to First Source. Taking into account that payment, the Receiver's cash balance as of August 18, 2017 is \$56,962.

PROPOSED FINAL DISTRIBUTION

26. As set out in the First Report, Gray & Associates provided to the Receiver its opinion that First Source's mortgage is a valid first charge on the Property. Pursuant to the Sale Approval and Vesting Order and as discussed above, the Receiver has distributed \$685,000 to First Source.
27. The Receiver has paid all utility and other suppliers for services rendered during the receivership, and water arrears and property taxes relating to the Property.
28. The Receiver understands that First Source assigned its security to Woodland Investments Inc. ("**Woodland**"), Schindler Abroyd Inc. ("**SAI**"), 2371799 Ontario Inc. ("**2371799**") and Schindler (collectively, the "**Assignee**"). The Receiver also understands that Schindler is the principal of Woodland, SAI and 2371799.
29. The Receiver proposes to pay any remaining funds, after payment of the balance of any fees and disbursements of the Receiver and its counsel (the "**Surplus Funds**"), to DV

LLP. A direction, executed by each member of the Assignee, to this effect is attached hereto as Appendix "J".

- 30. Accordingly, the Receiver is seeking an Order that authorizes the Receiver to pay to DV LLP the Surplus Funds in connection with the receivership (the total of which is not to exceed the amounts owing under the first mortgage) and to authorize CBTL, as former Receiver, to assist in realizing on these amounts as may be reasonably required.

PROFESSIONAL FEES

- 31. The fees and disbursements of the Receiver for the period from June 16, 2016 to August 31, 2016 were previously approved by the Court pursuant to the Sale Approval and Vesting Order.
- 32. The Receiver's accounts total \$36,712.00 in fees and \$110.60 in disbursements plus HST of \$4,786.94 for a total amount of \$41,609.54 from September 1, 2016 to August 4, 2017. The Receiver has been paid a total of \$41,609.54 towards these accounts such that \$0 remains outstanding. In addition to the accounts rendered, the Receiver is seeking to be paid \$4,237.50 (including HST) for the Receiver's fees to be incurred to complete the administration of the receivership (collectively, the "**Receiver's Accounts**"). A copy of the Receiver's Accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Arif Dhanani sworn August 18, 2017 that is attached hereto as Appendix "K".
- 33. The fees and disbursements of Paliare Roland, as insolvency counsel to the Receiver, for the period to August 31, 2016, were previously approved by the Court pursuant to the October 6th Order.
- 34. The accounts of the Receiver's counsel, Paliare Roland, total \$1,500.00 in fees and disbursements and \$195.00 in HST for a total of \$1,695.00 for the period ended July 31, 2017 plus an accrual of \$4,859.00 (including HST) for estimated fees to be incurred by Paliare Roland to complete the administration of the receivership (collectively, the "**Paliare Accounts**"). A copy of the Paliare Accounts, together with a summary of the

personnel, hours and hourly rates described in the Paliare Accounts, supported by the Affidavit of Sarita Sanasie sworn August 14, 2017 is attached as Appendix "L".

35. The accounts of the Receiver's counsel, Gray & Associates, total \$10,008.77 in fees and disbursements and \$1,301.14 in HST for a total of \$11,309.91 (the "Gray Accounts") for the period ended November 2, 2016. All of the Gray Accounts have been paid. A copy of the Gray Accounts, together with a summary of the personnel, hours and hourly rates described in the Gray Accounts, supported by the Affidavit of Vince Perricone sworn August 15, 2017 is attached as Appendix "M".

Remaining Tasks

36. The remaining tasks (the "Remaining Tasks") to be completed by the Receiver are set out below:

- (a) prepare and file with CRA the Receiver's final HST return;
- (b) distribute the Surplus Funds in the Receiver's possession, as set out in this Second Report; and
- (c) prepare and file the Receiver's Final Report, pursuant to S.246(3) of the Bankruptcy and Insolvency Act.

37. Once the Receiver has completed the Remaining Tasks, the Receiver will file with the Court the Receiver's Discharge Certificate indicating that the Receiver has completed the Remaining Tasks.

REQUESTS OF THE COURT

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

- a) approving the R&D;

- b) approving the Receiver's Second Report and its conduct and activities since the date of the Receiver's First Report, to date;
- c) approving the Receiver's Accounts, the Paliare Accounts and the Gray Accounts (collectively, the "Professional Fees");
- d) authorizing and directing the Receiver to distribute to DV LLP the remaining funds in the Receiver's possession after payment of all costs remaining in connection with the administration of the receivership and the Professional Fees;
- e) authorizing the Receiver to pay to DV LLP any HST refund received by the Receiver and/or any funds received in connection with the receivership (the total of which is not to exceed the amounts owing under the first mortgage) and to authorize CBTL, as former Receiver, to assist in realizing on these amounts as may be reasonably required;
- f) discharging the Receiver upon the Receiver filing the Receiver's Discharge Certificate; and
- g) upon the filing of the Receiver's Discharge Certificate, releasing the Receiver from any and all liability that the Receiver now has or may hereafter have by reason of or in any way arising out of matters that were raised, or could have been raised in the within receivership proceeding.

All of which is respectfully submitted to this Court as of this 18th day of August, 2017.

COLLINS BARROW TORONTO LIMITED
 in its capacity as Court Appointed Receiver
 of Dang Variety Store and Gas Bar and Lucky Restaurant Inc.
 and not in its personal capacity

Per: 

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

APPENDIX A

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE)
JUSTICE Mr. Justice J. Sloan)

THURSDAY, THE 16TH DAY
OF JUNE, 2016

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.

Respondent

ORDER

THIS APPLICATION for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Collins Barrow Toronto Limited ("Collins Barrow") as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at Kitchener, Ontario.

ON READING the affidavit of David Mandel and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Respondent, no one else appearing, and on reading the consent of Collins Barrow to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Collins Barrow is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

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

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of 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 the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (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 the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (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 the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, 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;
- (k) 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;

- (l) 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 \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$100,000; 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*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) 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;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (p) 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 the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.
- (t) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on 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.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor 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 the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor 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 the Debtor'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 the Debtor 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

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any

employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. 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

16. 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

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

18. 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 Ontario Superior Court of Justice.

19. 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 normal 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

20. 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 \$150,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. 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.

22. 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.

23. 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

24. 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.

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

26. 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.

27. 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.

28. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity

basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

29. 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.

SEALING ORDER

30. THIS COURT ORDERS that Confidential Exhibits "B" and "C" to the Supplementary Affidavit of David Mandel sworn June 15, 2016 be are hereby treated as confidential and are sealed and shall not form part of the public record pending further Order of this Court.

Mr. Justice J. Sloan

ENTERED AT KITCHENER	
In Book No.	5C
As Document No.	872
on	JUN 16 2016
by	V. Scott

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Collins Barrow Toronto Limited, the receiver (the "Receiver") of the assets, undertakings and properties of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ___ day of June, 2016 (the "Order") made in an action having Court file number _____, 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 _____, 2016

COLLINS BARROW TORONTO LIMITED,
solely in its capacity as Receiver of the
Property, and not in its personal capacity

Per: _____
Name:
Title:

FIRST SOURCE MORTGAGE CORPORATION

-and-

DANG VARIETY STORE AND GAS BAR AND LUCKY
RESTAURANT INC.

Applicant

Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT KITCHENER

ORDER

Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West
35th Floor
Toronto ON M5V 3H1
Tel: 416.646.4300
Fax: 416.646.4301

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

Lindsay Scott (LSUC# 60275G)
Tel: 416.646.7442
lindsay.scott@paliareroland.com

Lawyers for the Applicant

APPENDIX B

Court File No: C-585-16

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE)
JUSTICE *NIGHTINGALE*)

THURSDAY, THE 6th
DAY OF OCTOBER, 2016

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.

Respondent

ORDER

THIS MOTION made by Collins Barrow Toronto Limited in its capacity as the court-appointed receiver (the "Receiver") of the assets and undertakings of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Debtor"), for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "APS ") between the Receiver and Aurora Hotel Group, in trust (the "Purchaser") dated August 11, 2016, and vesting in the Purchaser all of the Debtor's right, title and interest in and to the Property (as defined in the APS), was heard this day at Kitchener, Ontario.

ON READING the first report of the Receiver dated September 22, 2016 (the "**First Report**"), which attaches thereto the Sale Agreement, and on hearing the submissions of counsel for the Receiver and any other stakeholder attending;

1. THIS COURT ORDERS AND DECLARES that the service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved and the execution by the Receiver of the Sale Agreement and the listing agreement with Region-Wide Real Estate ("Region Wide") made July 11, 2016 (the "**Listing Agreement**") are 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 Property to the Purchaser.
3. THIS COURT ORDERS AND DECLARES that the First Report, and the activities of the Receiver set out therein, are hereby approved.
4. THIS COURT ORDERS AND DECLARES that the Receiver's Statement of Receipts and Disbursements in respect of the Property, as set out in the First Report, is hereby approved.
5. THIS COURT ORDERS AND DECLARES that the fees and disbursements of the Receiver and its counsel to the period ended August 31, 2016 as set out in the fee affidavits attached to the First Report (the "**Fee Affidavits**"), be and are hereby approved.
6. THIS COURT ORDERS that upon the registration in the Land Registry Office of an Application for Vesting Order in the form prescribed by the *Land Titles Act* duly authorized by the Receiver in favour of the Purchaser or such person or persons as the Purchaser may direct and with such Application for

Vesting Order being in furtherance of the Sale Agreement for which court approval is hereby granted (the "Closing"), such Application for Vesting Order shall vest title of the Property in the transferee identified in the Application for Vesting Order free and clear of 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:

- (a) any encumbrances or charges created by the Order of the Honourable Justice Sloan dated June 16, 2016;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system;
- (c) any execution creditor;
- (d) those Claims listed on Schedule "B" hereto (all of which are collectively referred to as the "Encumbrances". For greater certainty, the term does not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "C" which shall remain on title);

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

7. THIS COURT ORDERS that upon the registration in the Land Registry Office for the appropriate Land Titles Division 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, or a

corporation as the Purchaser may direct, as the owner of the Property identified in Schedule "A" hereto in fee simple, and is hereby directed to delete and expunge from title to the Property all the claims listed in Schedule "B" hereto.

8. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property shall stand in the place and stead of the Property, and that from and after the Closing, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

9. THIS COURT ORDERS AND DECLARES that the Receiver is authorized and directed to pay from the proceeds of sale of the Property the following:

- (a) to Region-Wide, the real estate commissions contemplated in the Listing Agreement;
- (b) property tax arrears totalling approximately \$77,383;
- (c) arrears to the municipal water supplier in the amount of approximately \$450 and to utilities suppliers for amounts owed for the period June 16, 2016 to the date of closing;
- (d) the fees of the Receiver and counsel to the date of distribution;
- (e) Receiver's Certificates #1 and #2 totalling \$82,000, plus interest thereon; and
- (f) to First Source Mortgage Corporation ("**First Source**"), the balance of the proceeds after payment of the amounts set out in subparagraphs (a) to (e) above less \$50,000;

10. THIS COURT ORDERS that, notwithstanding:

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

the vesting of the Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, 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.

11. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

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

SCHEDULE "A"

**LT 36 S/S KING ST & W/S POTTER ST PL 521 CAMBRIDGE; PT LT 35 S/S
KING ST & W/S POTTER ST PL 521 CAMBRIDGE AS IN WS733492; S/T
WS713446; CAMBRIDGE**

PIN: 03776-0074 (LT)

Schedule B – Claims to be deleted and expunged from title to Property

Instrument Type	Instrument No.	Amount	Parties From	Parties To
Charge	WR755770	\$1,430,000	Dang Variety Store and Gas Bar and Lucky Restaurant Inc.	First Source Mortgage Corporation
No Assg. Rent Gen	WR755771		Dang Variety Store and Gas Bar and Lucky Restaurant Inc.	First Source Mortgage Corporation
Charge	WR755772	\$100,000	Dang Variety Store and Gas Bar and Lucky Restaurant Inc.	Red Rock Holdings Inc., Purkis, Christopher
Notice	WR769696		Red Rock Holdings Inc. Chris Purkis	Dang Variety Store and Gas Bar and Lucky Restaurant Inc.
Notice	WR898374		Dang Variety Store and Gas Bar and Lucky Restaurant Inc.	First Source Mortgage Corporation
Transfer	1578982		Lim, Cheng Hong Lao Li - Hsuch	Dang Variety Store and Gas Bar and Lucky Restaurant Inc.

Schedule C – Permitted Encumbrances, Easements and Restrictive Covenants related to the Property

Reg. No.	Date	Description
67R3313	June 8, 1989	Plan Reference
WS713446	August 3, 1989	Transfer of Easement
WR166454	October 24, 2005	LR's Order

FIRST SOURCE MORTGAGE
CORPORATION

vs.

DANG VARIETY STORE AND GAS BAR
AND LUCKY RESTAURANT INC..

Court File No. C-585-16

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at
BRAMPTON

APPROVAL AND VESTING ORDER

PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP
Barristers
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1

Jeff Larry (LSUC No. 44608D)
Tel: (416) 646-4330
Fax: (416) 646-4301
Email: jeff.larry@paliareroland.com

Lawyers for Collins Barrow Toronto Limited
in its capacity as Receiver of Dang Variety
Store and Gas Bar and Lucky Restaurant
Inc.

APPENDIX C

Court File No. C-585-16

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

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

-and-

DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.

Respondent

FIRST REPORT OF THE RECEIVER

SEPTEMBER 22, 2016

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INTRODUCTION

- 1. By Order of the Ontario Superior Court of Justice (the “**Court**”) dated June 16, 2016 (the “**Appointment Order**”), Collins Barrow Toronto Limited (“**CBTL**”) was appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (“**Dang Variety**”) acquired for, or used in relation to a business carried on by Dang Variety, including all proceeds thereof (the “**Property**”). A copy of the Appointment Order is attached hereto as Appendix “**A**”.
- 2. The Receiver was authorized to, among other things, take possession of the Property, manage and operate the business of Dang Variety and market the Property for sale.
- 3. The Appointment Order, together with related Court documents, have been posted on the Receiver’s website, which can be found at <http://www.collinsbarrow.com/en/cbn/current-engagements-toronto/dang-variety-store-and-gas-bar-and-lucky-restaurant-inc>.

PURPOSE OF FIRST REPORT

- 4. The purpose of this first report of the Receiver (the “**First Report**”) is to:
 - provide the Court with background information on the Property, the appointment of the Receiver and the mortgage and other secured interests registered against the Property;
 - report to the Court on the activities of the Receiver since the date of its appointment on June 16, 2016;
 - provide the Court with the details of the marketing efforts for the Property leading to the receipt of offers for the Property;
 - seek an order authorizing and directing the Receiver to enter into and carry out the terms of the agreement of purchase and sale between the Receiver and Aurora Hotel Group, in trust (“**Aurora**” or the “**Purchaser**”), dated August 11, 2016

together with amendments thereto (the "APS"), together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, for the sale of the Assets (as defined in the APS) and vesting title to the Assets in the Purchaser, or as it may further direct, in writing, upon the closing of the purchase and sale transaction contemplated in the APS (the "Closing");

- seek an order approving the entering into by the Receiver of a listing agreement with Region-Wide Real Estate ("Region Wide") in connection with the sale of the real property of Dang Variety and the payment to Region Wide of commissions contemplated in the listing agreement;
- seek an order sealing Appendices E and F to the First Report;
- provide the Court with a summary of the Receiver's cash receipts and disbursements for the period June 16, 2016 to August 31, 2016;
- seek an order authorizing and directing the Receiver to distribute to First Source Mortgage Corporation ("First Source"), after payment of all costs and professional fees in connection with the administration of the receivership to the date of distribution, the Property and its sale, the proceeds from the sale less \$50,000;
- seek approval of the Receiver's conduct and activities to September 20, 2016;
- seek an order approving the fees and disbursements of (i) the Receiver to August 31, 2016; and (ii) the Receiver's primary legal counsel, Paliare, Roland Rosenberg Rothstein LLP ("Paliare Roland") to August 31, 2016.

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.

BACKGROUND AND APPOINTMENT OF RECEIVER

7. Dang Variety is an Ontario corporation that, until the date of the Appointment Order, operated a variety store, restaurant and gas bar at 406 King Street East in Cambridge, Ontario. The shareholders of Dang Variety are Ronald Schindler (“**Schindler**”) and Thanh Dang (“**Dang**”), who own 51% and 49% of the shares, respectively. Dang operated the variety store, gas bar and restaurant on a daily basis. Dang Variety’s primary asset is the land and building at the above-noted address (the “**Real Property**”).
8. On May 28, 2013, First Source completed a mortgage loan transaction (the “**First Source Loan**”) with Dang Variety in accordance with a letter of commitment dated April 19, 2013, as amended.
9. The First Source Loan contemplated a facility in the amount of \$1,430,000 at an interest rate of 9.75% per annum. The entire amount of the facility has been advanced by First Source. As security for the First Source Loan, Dang Variety granted a first mortgage in favour of First Source (the “**First Source Mortgage**”) over the Property. The First Source Mortgage was registered on title to the Property on May 28, 2013.
10. Additional security granted by Dang Variety in favour of First Source included: (i) an assignment of rents; (ii) a general security agreement; and (iii) an assignment of plans, agreements and contracts. First Source registered its security over Dang Variety’s

personal property under the *Personal Property Security Act* (the "PPSA") on May 28, 2013.

11. The First Source Loan was guaranteed by Schindler, Dang, Dang's spouse and various companies owned and controlled by Schindler.
12. The First Source Loan was due to be repaid on June 1, 2015. On that date, First Source and Dang Variety entered into an amending agreement (the "Amendment") which, among other things, extended the maturity and repayment date to August 31, 2015.
13. The First Source Loan was not repaid on August 31, 2015 in accordance with the Amendment.
14. Since August 31, 2015, Dang Variety has tried to refinance or sell the Property; however, none of its efforts were successful.
15. On May 4, 2016, First Source demanded repayment of the First Source Loan and issued its Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*.
16. By Notice of Application dated June 2, 2016 (the "Application Record"), First Source sought the appointment of a receiver in respect of the Property. On June 16, 2016, the Court made the Appointment Order.

Secured Lenders

17. As set out above, First Source advanced the First Source Loan on May 28, 2013 and on that same day, it registered both the First Source Mortgage and its personal property security. As at September 12, 2016, First Source was owed \$1,454,330 in respect of the First Source Loan and a copy of First Source's account statement as at that date is attached hereto as Appendix "B".
18. The Receiver understands that a second mortgage was granted by Dang Variety in favour of Red Rock Holdings Inc. and Christopher Purkis (collectively referred to herein as "Red Rock").

19. The Receiver has received a legal opinion (the “Legal Opinion”) from Gray & Associates Professional Corporation (“Gray & Associates”) that, subject to the assumptions and qualifications contained in the Legal Opinion, the First Source Mortgage is a valid first charge on the Real Property. In addition, the Legal Opinion sets out that the PPSA registration in favour of First Source is a valid registration and is subject and subordinate to the following:

- a PPSA registration granted by Dang Variety Store & Gas Bar & Lucky Restaurant Inc., Thi Mai Thy Nguyen and Ronald C. Schindler in favour of 1419768 Ontario Inc. and D&D Leasing registered as Registration No. 20130204 1156 1616 6810 on February 4, 2013; and
- a PPSA registration granted by Dang Variety Store and Gas Bar and Luck Restaurant Inc., Thi M. Nguyen and Ronald C. Schindler in favour of Excel Leasing Inc. registered as Registration No. 20130204 1403 1462 3992 on February 4, 2013.

A copy of the Legal Opinion is attached hereto as Appendix “C”.

20. Based on a PPSA search of Dang Variety dated May 25, 2016, the Receiver understands that the following parties, in addition to First Source, have registrations against the personal property of Dang Variety:

Secured Creditor	Registration Date	Collateral
1419768 Ontario Inc./D&D Leasing	February 4, 2013	Equipment
Excel Leasing Inc.	February 4, 2013	Walk-in Cooler/Freezer
Merchant Advance Capital Ltd.	May 5, 2014	All present and after acquired personal property

21. The Receiver is not aware of any liens or charges registered against the Property or Dang Variety, other than those described above.

22. Each of the above parties (the “Lessors”) was served with the Application Record. At the commencement of the receivership proceedings, Paliare Roland attempted to contact

each of the Lessors; however, it was unsuccessful at reaching anyone at the Lessors with any familiarity with any equipment located at Dang Variety. None of the Lessors has contacted the Receiver. The lessors are being served with this application.

RECEIVER'S ACTIVITIES TO DATE

23. A summary of the Receiver's activities since its appointment, in accordance with the Appointment Order are set out below:

- reviewing and discussing with Paliare Roland materials for the appointment of the Receiver;
- discussing with Tert & Ross Ltd., a contractor engaged by the Receiver, among other things, the taking possession of the Property, changing locks and security alarm codes and performing an inventory count;
- reviewing Dang Variety's existing insurance policies and discussing with the Receiver's insurer, available and appropriate insurance coverage and costs therefor;
- drafting and finalizing a management agreement to be executed by the Receiver and a third party (the "**Gas Bar Manager**") engaged by the Receiver to manage the operations of the gas bar;
- attending at the Property to take possession of same, including facilitating the changing of locks and security alarm provider, performing cash counts for funds held in the restaurant and gas bar and meeting with the Gas Bar Manager;
- corresponding with the financial institution used by Dang Variety to take possession of funds in Dang Variety's bank account and opening a trust account in respect of the receivership administration;
- contacting Amco Petroleum Ltd. ("**Amco**"), Dang Variety's fuel provider, to make arrangements for the delivery of fuel and payment for same;

- contacting Canada Revenue Agency to open a harmonized sales tax account under the Receiver's name;
- contacting a potential purchaser of the Real Property, identified by Schindler, and following up with the potential purchaser to determine its level of interest and whether it would submit an offer to purchase the Real Property;
- engaging Region Wide to advertise and market the Real Property for sale, including entering into a listing agreement for the sale of the Real Property;
- periodically liaising with Region Wide to obtain updates on the sales and marketing process;
- drafting and finalizing the Receiver's statement and notice pursuant to S. 245/246 of the *Bankruptcy and Insolvency Act*;
- liaising with the Gas Bar Manager to have the Property professionally cleaned and to arrange for a system of reporting to the Receiver the gas bar's cash sales and deposits;
- addressing on an ongoing basis issues that have arisen in respect of the operations of the gas bar;
- contacting Dang to arrange for him to retrieve his personal belongings from the Real Property and to request that he provide any records relating to Dang Variety in his possession;
- preparing a form of agreement of purchase and sale to be provided to interested parties and send same to Region Wide;
- corresponding with the City of Cambridge to ascertain the amount, and obtain a statement, of property taxes outstanding and payable in respect of the Real Property;
- arranging for interim funding from First Source to operate the gas bar and issuing Receiver's Certificates in connection therewith;

- * contacting the Technical Standards and Safety Authority ("TSSA") regarding outstanding amounts due to it and TSSA's notice of operating license suspension and doing all things necessary to have the suspension lifted;
- * periodically reconciling cash and credit/debit card sales and cash deposits to reports from Amco and the Gas Bar Manager and the Receiver's bank statements;
- * drafting and finalizing the Receiver's First Report; and
- * attending to administrative matters with respect to the receivership proceeding.

RECEIVER'S MARKETING ACTIVITIES AND OFFERS RECEIVED

24. As set out previously herein, Dang Variety commenced a marketing and sales process approximately one year prior to the commencement of the receivership. Dang Variety utilized the services of Region Wide.
25. The Receiver, upon its appointment and on the recommendation of Schindler, contacted Region Wide to advise of the Receiver's appointment and to discuss an appropriate marketing and sales process. The Receiver confirmed that Region Wide was familiar with the Real Property and would be able to contact the parties interested in the Real Property prior to the Receiver's appointment as well as other potential purchasers.
26. On July 11, 2016, the Receiver executed a listing agreement with Region Wide in respect of the Real Property, which authorized Region Wide to list the Real Property (the "Listing Agreement"). The Listing Agreement also provided that Region Wide would be entitled to a commission of 5% of the selling price, payable on closing. A copy of the Listing Agreement is attached hereto as Appendix "D". The Receiver, in consultation with Region Wide, decided to list the Property at a nominal price and set August 10, 2016 as the date by which offers for the Property were to be received (the "Bid Deadline Date").
27. Region Wide engaged in the following activities to market and sell the Real Property:
- * listed the Real Property on MLS;

- sent an email blast to 149 real estate agents advertising the Real Property for sale;
 - contacted two parties which are real estate agents/brokers that focus on gas bars/fuel stations, to apprise them of the opportunity;
 - contacted all prospects that previously contacted Region Wide during the marketing process that was conducted prior to the receivership, which comprised approximately 7-8 interested parties;
 - contacted Tim Hortons, 7-Eleven, Mac's, Shell, Parkland, Petro Canada, a local Esso dealer and Little Short Stop Stores to apprise them of the opportunity;
 - attended a meeting on-site at the Property with parties interested in the Real Property; and
 - communicated at length with another gas bar owner who had an interest in the Real Property and advised that it would make an offer.
28. On August 9, 2016, the Receiver was contacted by Schindler, who enquired about the Receiver's marketing efforts and in particular, the status of the party that he had referred to the Receiver at the outset of its appointment. The Receiver advised Schindler that it had been in contact with that party who advised that it would make an offer; however, upon following up with the party, the Receiver's calls were not returned. Schindler then advised that he knew of another party that may be interested in making an offer.
29. On the Bid Deadline Date, the Receiver received two (2) offers. The Receiver reviewed the offers with First Source.
30. Based on its discussions with First Source and Schindler, on August 12, 2016, the Receiver sent out, via email, to the two parties that made an offer and to the party identified by Schindler, an extension to the Bid Deadline Date to August 17, 2016 and requested that the offerors make their highest and best offer for the Property by the revised deadline date.
31. On August 17, 2016, the original two offerors submitted their final bids to the Receiver and the party identified by Schindler did not make an offer. On or about that same day, the Receiver received from each potential purchaser the initial deposit due under

paragraph 4(a)(i) of the APS. A summary of the offers received is attached hereto as Appendix "E".

32. After reviewing the two (2) offers, the Receiver determined that the offer from Aurora was the highest and best offer. The Receiver reviewed both offers received with First Source. First Source advised the Receiver that it was supportive of the Receiver's position to pursue the offer received from Aurora.
33. On August 19, 2016, the Receiver contacted Aurora to advise that its offer had been accepted. On that same day, the Receiver executed the APS and returned the APS to Aurora with certain amendments required to be agreed to by Aurora.
34. On August 23, 2016, Aurora initialed the changes made by the Receiver and sent to the Receiver a fully executed version of the APS.
35. Paragraph six (6) of the APS provided a conditional period of 20 days to allow the Purchaser to satisfy itself with all matters relating to the Assets (the "**Conditional Period**"). That paragraph required the Purchaser to provide a waiver of the condition to the Receiver on or before the expiry of the Conditional Period. In the event that a waiver was not provided by the Purchaser, the APS would be deemed to be null and void and the initial deposit paid by the Purchaser would be returned to it.
36. On September 9, 2016, the Receiver received from Aurora a waiver of the condition in favour of the Purchaser. The form of waiver provided by Aurora was not acceptable as it was in the form of an amendment to the APS. The Receiver contacted Aurora to advise of same and provided Aurora with an acceptable form of waiver (the "**Amended Waiver**"). On September 13, 2016, the Receiver received the executed Amended Waiver. On September 16, 2016, the Receiver received from Aurora the additional deposit required under paragraph 4(a)(ii) of the APS.
37. Closing of the sale is scheduled for the tenth (10) business day following the date on which the Approval and Vesting Order is obtained or such earlier or later date as agreed to by the parties. A copy of the APS is attached hereto as Appendix "F".

38. The Receiver has retained Gray & Associates as the Receiver's real estate counsel to complete the sale of the Property to Aurora, provided that the Court authorizes the Receiver to complete the sale.
39. The Receiver is requesting that the Court seal, until the Closing, the Appendices to this report containing the summary of offers (Appendix E) and the APS (Appendix F) since the public disclosure of the information contained therein could have a detrimental effect on the ability of the Receiver to complete a sale of the Assets to Aurora, or to another party in the event the sale to Aurora does not close.

OTHER MATTERS

Harmonized Sales Tax Returns

40. At the commencement of the receivership proceeding, upon taking possession of the Property, the Receiver requested of Dang whether there were any books and records on site at the Real Property. Dang advised that Schindler was in possession of all the books and records of Dang Variety.
41. Subsequent to its appointment, the Receiver contacted Canada Revenue Agency ("CRA") to open a harmonized sales tax ("HST") branch account under its name in order to file its HST returns and make any payments owed to, or collect refunds from, CRA during the receivership. The Receiver has not yet received documentation from CRA under the branch account; however, CRA has redirected Dang Variety's HST returns to the Receiver.
42. The Receiver contacted Schindler to obtain copies of the books and records and specifically, copies of Dang Variety's historical HST returns. Schindler advised that Dang Variety has never filed any HST returns because Dang never provided Schindler with any information with which to complete such returns.
43. On August 30, 2016, Schindler forwarded to the Receiver a copy of a letter dated August 5, 2016 and a requirement to pay dated August 16, 2016 (the "**Requirement to Pay**")

from CRA. Both documents were addressed to Schirfner personally. The Requirement to Pay was for \$1,744, but did not set out the period to which the outstanding HST related.

- 44. During the first week of September 2016, the Receiver called CRA to ascertain the period to which the Requirement to Pay related and to ask various questions of CRA regarding Dang Variety's historical HST filings and the branch account that the Receiver had requested be opened.
- 45. CRA advised that Dang Variety has never filed any HST or corporate income tax returns and that the Requirement to Pay of \$1,744 relates to an arbitrary assessment made in December 2014 for the period July 1, 2013 to September 30, 2014. CRA also advised that there was nothing in its computer system regarding the Receiver's request to open an HST branch account number. The CRA representative indicated that he would initiate the request for a branch account to be opened in the Receiver's name immediately.
- 46. Based on the Receiver's statement of receipts and disbursements, which is discussed later in this report, the Receiver is in an HST refund position.
- 47. On September 13, 2016, the Receiver received from CIBC, the financial institution utilized by Dang Variety, documentation informing the Receiver that CIBC was presented with the Requirement to Pay and that it had paid \$239.16 to CRA from funds deposited to Dang Variety's account. While the Receiver forwarded the correspondence to Paliare Roland, the Receiver does not propose to take any steps to attempt to recover the \$239.16 since the costs that would be incurred would exceed any recovery.
- 48. The Receiver notes that it had communicated with CIBC at the commencement of the receivership and was advised by CIBC that the balances in the bank accounts of Dang Variety did not exceed \$12. CIBC further provided information which indicated that \$2,945 was withdrawn from the bank accounts of the Company on the morning of June 16, 2016, prior to the Appointment Order being granted. Unless requested by First Source, the Receiver does not intend to incur the costs to look into whether such withdrawals may be recoverable by the Receiver.

Fuel Pump Certification Stickers

49. On July 14, 2016, the Gas Bar Manager advised that an inspector from Measurement Canada attended at the premises to confirm that the Dang Variety fuel pumps were affixed with valid current certification stickers. The Gas Bar Manager further advised that no stickers were on the fuel pumps and that Measurement Canada had the right to, if it so chose, shut the gas bar down for non-compliance. The Gas Bar Manager arranged for the inspector to re-attend at the facility 7-10 days later to confirm that valid certification stickers were on the pumps.
50. Over the course of the next week, the Gas Bar Manager arranged for the appropriate inspections and testing of the fuel pumps to be done and for the required certification stickers to be affixed to the Dang Variety fuel pumps. The Gas Bar Manager informed the Receiver that the inspector from Measurement Canada re-attended at the facility and confirmed that the required certification stickers were affixed to the fuel pumps.

Tobacco Sales

51. At the outset of the receivership administration, the Receiver made the decision to shut down the restaurant and discontinue the sale of consumable products at the variety store, including the sale of tobacco products, as the Receiver was concerned that the costs of operating and supervising such sales could exceed the net realizations from the sales.
52. On August 16, 2016, the Gas Bar Manager advised the Receiver that he had been contacted by a Tobacco Enforcement Officer (the "**TE Officer**") for the Region of Waterloo and that the TE Officer advised him that the Ministry of Health and Long Term Care (the "**MOH**") had issued to Dang Variety an automatic prohibition for the sale of tobacco products (the "**AP**") due to multiple violations for the sale of tobacco to minors prior to the Receiver's appointment. The Receiver was advised that the issuance of the AP was made against the address of the infraction and not necessarily against the owner of same and the Receiver became concerned that the issuance of the AP could negatively impact on the value of the Real Property.

- 53. On August 17, 2016, the Receiver contacted the TE Officer and advised that it was a court-appointed officer overseeing the limited ongoing operations of the gas bar and that no tobacco was being sold by the Receiver. The Receiver emailed a copy of its Appointment Order to the TE Officer and advised that it was not aware and had not been previously apprised of any past violations.
- 54. The Receiver asked whether the AP could be reversed in light of the receivership and the fact that tobacco was not presently being sold at the facility. The Receiver also advised that part of its mandate included selling the Real Property and that the AP may negatively affect the purchase price. The TE Officer advised the Receiver that while it understood the Receiver's position, it was the MOH's decision whether to reverse the AP.
- 55. On August 30, 2016, the TE Officer contacted the Receiver to advise that the MOH had decided to reverse the AP, but that the MOH's decision did not impact any convictions that may have been made against individuals relating to Dang Variety.

RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 56. Attached as Appendix "G" is the Receiver's Interim Statement of Receipts and Disbursements ("R&D") for the period June 16, 2016 to August 31, 2016. During this period, receipts were \$352,422 and disbursements were \$330,752, resulting in a net cash balance of \$21,670.

PROPOSED DISTRIBUTION

- 57. As previously discussed, Gray & Associates has provided its opinion that the First Source Mortgage is a valid first charge on the Real Property.
- 58. On the closing of the APS, the Receiver will receive the proceeds from the sale of the Property. From the proceeds of sale, the Receiver proposes to pay the following expenses (the "Expenses"):
 - the property tax arrears totaling approximately \$77,383;

- amounts to the municipal water supplier for unpaid arrears of approximately \$450 and to utilities suppliers for amounts owed for the period June 16, 2016 to the date of closing;
- Receiver's Certificates # 1 and # 2 totaling \$82,000, plus accrued interest thereon;
- the commission payable to Region Wide; and
- the fees and disbursements of the Receiver and its counsel to the date of the proposed distribution.

The sales proceeds, less the Expenses, are referred to herein as the "Net Sales Proceeds".

59. Following payment of the Expenses, the Receiver proposes to pay to First Source the Net Sales Proceeds less \$50,000 (the "First Source Distribution"). The funds held back by the Receiver will be used to fund the remaining activities of the Receiver to complete its administration of the receivership.
60. On September 16, 2016, the Receiver communicated in writing to CRA that it intended to pay the Net Sales Proceeds, after payment of the Expenses, to First Source since it is the Receiver's position that First Source's security has priority to CRA as, according to CRA, the arbitrary assessment for HST of \$1,744 relates to the period July 1, 2013 to September 30, 2014, which is after the date the First Source Mortgage was registered. The Receiver also requested that CRA advise the Receiver by October 7, 2016, the date on or about which the Receiver estimates the payment to First Source would be made, if CRA had an opposing position. In the event the Receiver receives any correspondence from CRA in this regard, the Receiver may seek the direction of the Court with respect to its proposed distribution following the closing of the sale of the Assets (as defined in the APS).
61. The Receiver also points out that CRA is being served with this application.

STATUTORY NOTICES

62. Attached hereto as Appendix "H" is the Notice and Statement of Receiver prepared pursuant to Sections 245(1) and 246(1) of the Bankruptcy and Insolvency Act.

PROFESSIONAL FEES

63. The Receiver's accounts total \$62,128.50 in fees and \$229.26 in disbursements plus HST of \$8,106.52 for a total amount of \$70,464.28 from June 16, 2016 to August 31, 2016 (the "Receiver's Accounts"). A copy of the Receiver's Accounts, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Arif Dhanani sworn September 21, 2016 that is attached as Appendix "I".

64. The accounts of the Receiver's counsel, Paliare Roland, total \$7,616.50 in fees and disbursements and \$990.15 in HST for a total of \$8,606.65 (the "Paliare Roland Accounts") for the period ended August 31, 2016. A copy of the Paliare Roland Accounts, together with a summary of the personnel, hours and hourly rates described in the Paliare Roland Accounts, supported by the Affidavit of Sarita Sanasie sworn September 20, 2016 is attached as Appendix "J".

REQUESTS OF THE COURT

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

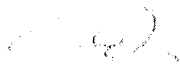
- authorizing and directing the Receiver to enter into and carry out the terms of the APS between the Receiver and Aurora dated August 11, 2016 together with amendments thereto, together with any further amendments thereto deemed necessary by the Receiver in its sole opinion, and vesting title to the Assets (as defined in the APS) in Aurora, or as it may further direct in writing, upon Closing;

- approving the entering into by the Receiver of the listing agreement with Region Wide in connection with the sale of the Property and approving payment of the commission to Region Wide referred to therein;
- sealing Confidential Appendices E and F to the First Report;
- approving the R&D;
- authorizing and directing the Receiver to make the First Source Distribution;
- approving the Receiver's conduct and activities since the date of the Receiver's appointment to September 21, 2016; and
- approving the fees and disbursements of the Receiver and Paliare Roland to August 31, 2016.

All of which is respectfully submitted to this Court as of this 22nd day of September, 2016.

COLLINS BARROW TORONTO LIMITED

In its capacity as Court Appointed Receiver
of Dang Variety Store and Gas Bar and Lucky Restaurant Inc.
and not in its personal capacity



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

APPENDIX D

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

-and-

DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.

Respondent

RECIVER'S DISCHARGE CERTIFICATE

WHEREAS pursuant to the Order dated 31 August 2017, the Ontario Superior Court of Justice Ordered that Collins Barrow Toronto Limited (the "Receiver") would be discharged as receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. upon the filing of a Certificate by the Receiver certifying that the Receiver had completed the Remaining Tasks defined in paragraph 36 of the Receiver's Second Report dated 18 August, 2017.

Collins Barrow Toronto Limited, in its capacity as Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc., certifies that it has completed the Remaining Tasks.

DATED at Toronto this ● day of ●, 2017.

COLLINS BARROW TORONTO LIMITED
in its capacity as receiver of Dang Variety
Store and Gas Bar and Lucky Restaurant Inc.

APPENDIX E



Tax Centre
Toronto ON M5J 2X6

July 31, 2017

COLLINS BARROW TORONTO LIMITED
C/O ARIF DHANANI
700-11 KING STREET WEST
TORONTO ON M5H 4C7

AUG 03 2017

Dear Sir:

RE: 861002558RT0001
Dang Variety Store and Gas Bar and Lucky Restaurant Inc.

As requested, please be advised that the above account has been closed as of the receivership date, namely June 6, 2016.

If there are any questions or concerns please feel free to contact the undersigned.

Yours truly,

Pat Confalone (1213)
Insolvency Officer

APPENDIX F

*** FAX TX REPORT ***

TRANSMISSION OK

JOB NO.	3122
DESTINATION ADDRESS	15196455397
SUBADDRESS	
DESTINATION ID	
ST. TIME	11/09 15:55
TX/RX TIME	01' 42
PGS.	3
RESULT	OK



Collins Barrow Toronto Limited
 Collins Barrow Place
 11 King Street West
 Suite 700, PO Box 27
 Toronto, Ontario
 M5H 4C7 Canada

T. 416.480.0180
 F. 416.480.2646

toronto.collinsbarrow.com

Fax

To: Regional Intake Centre for Insolvency **Fax:** 519-645-5397

Company: Canada Revenue Agency **Pages:** 3 (incl. cover)

Cc: **Date:** November 9, 2016

Re: In the Matter of the Receivership of Dang Variety Store and Gas Bar and Lucky
 Restaurant Inc. (BN 861002568)



74

Request by an Insolvency Practitioner for a Waiver of the Requirement to file a T2 Corporation Income Tax Return under Subsection 220(2.1) of the *Income Tax Act*

Part 1 – Insolvency practitioner *

Name of insolvency practitioner Collins Barrow Toronto Limited		Trustee license number 1889	
Address of insolvency practitioner 700 - 11 King Street West, Toronto, Ontario M5H 4C7			
Name of insolvent corporation Dang Variety Store and Gas Bar and Lucky Restaurant Inc		Business number of insolvent corporation 861002558 RC 0001	
Fiscal period **	Year Month Day	Year Month Day	Year Month Day
Tax year start		Tax year end	

Effective 2016-06-16 , Collins Barrow Toronto Limited was appointed as
Date (Year Month Day) Insolvency practitioner

the Court-Appointed Receiver of the above corporation,
Capacity

* Insolvency practitioner refers to a trustee in bankruptcy, a receiver, or a liquidator, and every agent or other person administering, managing, winding up, controlling, or otherwise dealing with the property, business, estate, or income of a corporation, other than a shareholder, director, officer or employee of the corporation.

** The corporation's tax year is its fiscal period. A fiscal period cannot be longer than 53 weeks (371 days). Complete a separate form for each period.

Part 2 – Certification

We certify that we are unable to prepare a corporation income tax return for the fiscal period noted above. The actions and reasonable efforts taken to compile, examine, or reproduce the necessary records of the corporation for the purposes of filing the outstanding corporation income tax return for the above-noted insolvent corporation are described below. (Attach a separate page if you need more space.)

On June 16, 2016, Collins Barrow Toronto Limited (the "Receiver") attended at the premises of Dang Variety Store and Gas Bar and Lucky Restaurant Inc ("Dang" or the "Company") with a view to taking possession of the property and obtaining information on and copies of the Company's books and records.

The principals of Dang advised the Receiver that proper books of account and formal records were not kept by the Company. As a result, the Receiver is unable to complete any corporate tax returns or harmonized sales tax (HST) returns in respect of either of the 861002558 RC0001 account or the 861002558 RT0001 account.

Part 3 – Acknowledgement

We acknowledge that the Minister may make a future request for documents or information with respect to the return if the requirement to file the return is waived as requested, and we certify that we hereby undertake to make such documents or information available to the authorities designated by the Minister, upon request.

We acknowledge that, pursuant to the *Income Tax Act*, all relevant available financial information of the corporation, if any, in regards to the preparation of this request may be subject to inspection and audit by the relevant governmental authorities.

We further acknowledge that a waiver, as requested by this form, does not preclude compliance, present and future, by the insolvency practitioner with all other relevant provisions of the *Income Tax Act*, including subsection 12B(1) or with section 22 of the *Bankruptcy and Insolvency Act*.

Part 4 – Authorized Signatory

In accordance with the certification and acknowledgement within parts 2 and 3, we hereby request that the Minister of National Revenue waive the requirement to file a corporation income tax return for the above fiscal period.

Collins Barrow Toronto Limited

Name of insolvency practitioner firm

Court-Appointed Receiver

Capacity

for Dang Variety Store and Gas Bar and Lucky Restaurant Inc.

Name of insolvent corporation

, and not in its personal capacity,

per:


Signature of the individual insolvency practitioner representing the insolvent corporation

2016-11-08

Date (Year Month Day)

Mail or fax this completed form to your tax services office's **Regional Intake Centre for Insolvency:**

Atlantic Region

Canada Revenue Agency
Nova Scotia Tax Services Office
Revenue Collections Division
Regional Intake Centre for Insolvency
1557 Hollis Street
PO Box 638
Halifax NS B3J 2T5

Telephone: 1-800-884-3242
Fax: 902-426-0016

Ontario Region

Canada Revenue Agency
London-Windsor Tax Services Office
Revenue Collections Division
Regional Intake Centre for Insolvency
3rd Floor
451 Talbot Street
London ON N6A 4R3

Telephone: 1-855-216-2969
Fax: 519-645-5397

Pacific Region

Canada Revenue Agency
Fraser Valley and Northern Tax Services Office
Revenue Collections Division
Regional Intake Centre for Insolvency
9737 King George Boulevard
PO Box 11575, Station Main
Surrey BC V3T 0E5

Telephone: 1-866-891-7403
Fax: 1-866-219-0311

Prairie Region

Canada Revenue Agency
Edmonton Tax Services Office
Revenue Collections Division
Regional Intake Centre for Insolvency
4th Floor
9700 Jasper Avenue
Edmonton AB T5J 4C8

Telephone: 1-866-219-0283
Fax: 780-495-0424

Quebec Region

Canada Revenue Agency
Central and Southern Québec Tax Services Office
Revenue Collections Division
Regional Intake Centre for Insolvency
2250 St-Olivier Street
Trois-Rivières QC G9A 4E9

Telephone: 1-866-248-1576
Fax: 819-371-1823
Fax: 1-800-567-9325

Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source www.cra-arc.gc.ca/gncy/tp/nfarc/nfarc-eng.html, personal information bank CRA PPU 047.

APPENDIX G



Tax Centre
Toronto ON M5J 2X6

NOV 24 2016

November 18, 2016

COLLINS BARROW TORONTO LTD.
C/O ARIF DHANANI - RECEIVER
PERSONAL AND CONFIDENTIAL
700 - 11 KING ST. W.
TORONTO ON M5H 4C7

Dear Sir:

Re: RECEIVERSHIP FOR DANG VARIETY STORE AND GAS BAR AND LUCKY
RESTAURANT INC.
ACCT NO 861002558 and your RC342 request

Further to my discussion with Mr. Jeff Burger from your office, as
also mentioned to him, this letter confirms that the review
process in regards to your RC342 request has commenced.

To this purpose, we request your prompt assistance with your
responses (please provide copies of the necessary documentation
where required) for the following:

1. A copy of the list of assets that form part of this receivership?
2. What assets have you taken possession of?
3. Have any of the assets been sold? Amount(s)? Details?
4. A copy of the list of the creditors and their amounts outstanding?
5. Who was the secure creditor that requested this receivership?
6. A copy of their security agreement?
7. What Books and Records (B&R) do you have in your possession?
8. What is the location for the B&R that you have?
9. Are there any other B&R with anyone else? Location?

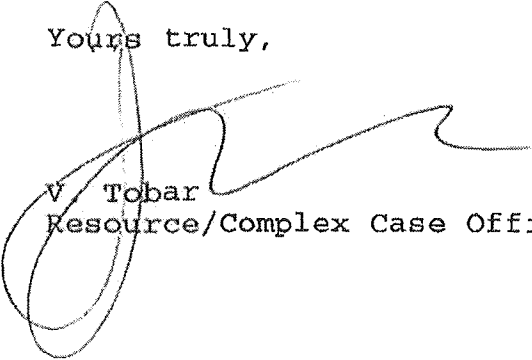
.../2

- 10. Have you requested any B&R directly from any other company's officer, employee, or shareholder involved? For what years?
- 11. What bank records are there? For what years? Location?
- 12. What bank records do you possess? For what years? Location?
- 13. Have you requested any bank statements or records directly from the bank involved? For what years?
- 14. Other than the bank(s) mentioned above, is there any additional bank(s) that this business and/or principals have, carrying on business on behalf of this business entity?
- 15. Where was the business bank account at? What was the account number?
- 16. Were there any funds in the bank account when you took over as a Receiver?
- 17. Has this company continue to "carrying on business" since you took over?
- 18. Have you opened a separate bank account for this business?
- 19. Subsequent to the receivership, have you opened any separate accounts for this business? and,
- 20. Subsequent to the receivership, with CRA, have you opened separate accounts for this business? HST? Payroll Deductions?

Where necessary, kindly provide us with copies of the records you have under your possession for this receivership, and/or provide us with access to review and obtain copies of the information and documentation mentioned above.

Lastly, let me also confirm that other officers and I (from CRA), will be compiling the required information and documentation, in order to proceed with this process you have requested.

Yours truly,



V. Tobar
Resource/Complex Case Officer

APPENDIX H



AUG 2 2017

Tax Centre
Toronto ON M5J 2X6

July 27, 2017

DANG VARIETY STORE AND GAS BAR AND LUCKY
RESTAURANT INC
C/O COLLINS BARROW TORONTO LTD
11 KING STREET WEST
SUITE 700, PO BOX 27
TORONTO ON M5H 4C7

Account Number
86100 2558 RC0001

Dear Sir:

RE: In the matter of the receivership of DANG VARIETY STORE AND
GAS BAR AND LUCKY
Date of receivership: June 16, 2016

Thank you for your request of July 25, 2017, for a waiver of the
requirement to file the outstanding corporate tax return for the
period 2015-01-01 to 2015-12-31 associated with the above-named
debtor.

After reviewing the information you provided and in accordance
with the guidelines for the Canada Revenue Agency's (CRA) policy
for authorizing such a waiver for insolvency practitioners, the
CRA has approved your request for a waiver. We are updating our
systems to reflect this approval and the outstanding credit will
be released soon.

If you are not satisfied with the decision or feel that the
Minister has not exercised discretion in a reasonable manner,
you may ask, in writing to the director of your local tax
services office that a second review be conducted.

If you need more information, or want to discuss this matter
further, please contact the undersigned at 416-973-9439.

Yours truly,

Pat Confalone (1213)
Insolvency Officer



National Insolvency Office
1 Front Street West
2nd Floor Suite 100
Toronto ON M5J 2X6

Local : 416-973-9439
Fax : 416-954-6411
Web site : www.cra.gc.ca



AUG 02 2017

Tax Centre
Toronto ON M5J 2X6

July 27, 2017

DANG VARIETY STORE AND GAS BAR AND LUCKY
RESTAURANT INC
C/O COLLINS BARROW TORONTO LTD
11 KING STREET WEST
SUITE 700, PO BOX 27
TORONTO ON M5H 4C7

Account Number
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RE: In the matter of the receivership of DANG VARIETY STORE AND
GAS BAR AND LUCKY
Date of receivership: June 16, 2016

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requirement to file the outstanding corporate tax return for the
period 2016-01-01 to 2016-12-31 associated with the above-named
debtor.

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with the guidelines for the Canada Revenue Agency's (CRA) policy
for authorizing such a waiver for insolvency practitioners, the
CRA has approved your request for a waiver. We are updating our
systems to reflect this approval and the outstanding credit will
be released soon.

If you are not satisfied with the decision or feel that the
Minister has not exercised discretion in a reasonable manner,
you may ask, in writing to the director of your local tax
services office that a second review be conducted.

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Yours truly,

Pat Confalone (1213)
Insolvency Officer



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1 Front Street West
2nd Floor Suite 100
Toronto ON M5J 2X6

Local : 416-973-9439
Fax : 416-954-6411
Web site : www.cra.gc.ca

APPENDIX I

**IN THE MATTER OF THE RECEIVERSHIP OF
DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.
RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD JUNE 16, 2016 TO AUGUST 18, 2017**

RECEIPTS

Cash on hand	\$ 4,474
Advance from secured creditor	82,000
Sale of inventory	17,813
Sale of property	1,050,000
Sale of fuel	438,358
HST collected	59,964
Insurance refund	6,837
Miscellaneous refunds, receipts and interest	1,196
Total receipts	<u>\$ 1,660,642</u>

DISBURSEMENTS

Gasoline purchases	\$ 406,908
Repayment of advances from secured creditor, including interest charges	85,357
Property taxes	75,951
Insurance	13,500
Wage reimbursement	33,793
Gas station management fees	16,217
Utilities	5,648
TSSA fees	1,781
HST paid	84,371
Commission on sale of property	52,500
Receiver's fees and costs	99,143
Legal fees	
Gray & Associates Professional Corporation	10,009
Paliare Roland LLP	16,972
Inventory count and taking possession	3,590
Repairs and maintenance	7,136
Credit card fees	3,473
HST remitted	1,097
Supplies and other items required for operations	447
Security services (alarm monitoring)	200
Administrative fees (Official Receiver, courier, Ascend license fee, mail redirection, bank charges)	589
Total disbursements	<u>\$ 918,680</u>
Receipts over disbursements	\$ 741,962
Interim distribution to secured lender	<u>(685,000)</u>
Balance in Receiver's account as at August 18, 2017	<u><u>\$ 56,962</u></u>

Note 1: This Appendix forms part of the Receiver's Second Report to the Court dated August 18, 2017 in respect of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. and should be read in conjunction therewith.

APPENDIX J

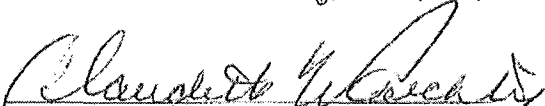
DIRECTION RE FUNDS

TO: COLLINS BARROW TORONTO LIMITED (the "Receiver")
RE: RECEIVERSHIP OF DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.
First Source Mortgage Corporation (the "Applicant") v. Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Respondent")
Court File No. C-585-16

The undersigned hereby authorize and direct you to make the surplus proceeds of the receivership payable to DAOUST VUKOVICH LLP, IN TRUST, or as they may otherwise direct.


And for so doing, this shall be your sole, sufficient and irrevocable authority.

DATED at CAMBRIDGE this 8 day of May, 2017.


Witness

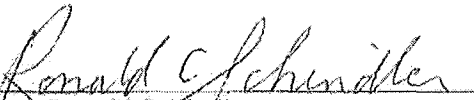

RONALD SCHINDLER

SCHINDLER ABROYD INC.

Per: 
Name: Ronald Schindler
Title: President

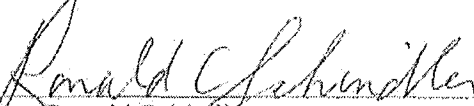
I have authority to bind the Corporation

WOODLAND INVESTMENTS INC.

Per: 
Name: Ronald Schindler
Title: President

I have authority to bind the Corporation

2371799 ONTARIO INC.

Per: 
Name: Ronald Schindler
Title: President

I have authority to bind the Corporation

APPENDIX K

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.

Respondent

**AFFIDAVIT OF ARIF N. DHANANI
(Sworn August 18, 2017)**

I, **ARIF N. DHANANI**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a 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 the order herein dated June 16, 2016 (the "**Appointment Order**"), CBTL was appointed receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. ("**Dang Variety**") acquired for, or used in relation to a business carried on by Dang Variety, including all proceeds thereof (the "**Property**").
3. For the period commencing September 1, 2016 to August 4, 2017 (the "**Passing of Accounts Period**"), the Receiver has been engaged in various activities in connection

with the receivership proceeding and administration of the Property, in receivership. Particulars of the Receiver's conduct and activities during the Passing of Accounts Period are contained in the Receiver's report dated August 18, 2017 (the "**Second Report**").

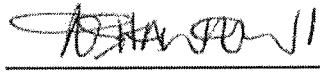
4. Attached hereto and marked as Exhibit "A" to this my affidavit is a summary of the fees charged and periodic accounts rendered by the Receiver in respect of the proceedings for the Passing of Accounts Period. Copies of the interim invoices which are referenced in the summary are appended to this affidavit as Exhibit "B".
5. In accordance with the provisions of paragraph 19 of the Appointment Order, 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 normal 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 the Court.
6. In the course of its administration of the receivership during the Passing of Accounts Period, the Receiver's staff expended 102.70 hours of time in respect of the receivership administration, which aggregates to fees of \$36,712.00. The Receiver's average hourly billing rate during this period is \$357.47. The Receiver's accounts for the Passing of Accounts Period total \$41,609.54 representing \$36,712.00 in fees, \$110.60 in disbursements and \$4,786.94 in HST.
7. To the best of my knowledge, the rates charged by the Receiver throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Greater Toronto Area for the provision of similar services.
8. I verily believe that the Receiver's accounts are fair and reasonable in the circumstances.
9. The Court previously approved the accounts of the Receiver for the period to August 31, 2016, which totaled \$70,464.28. CBTL is requesting that its fees as Receiver be assessed at \$116,311.32, inclusive of disbursements and taxes and an accrual of \$4,237.50 for estimated fees, disbursements and HST to completion.

This affidavit is sworn in support of the Receiver's motion for approval of its fees and disbursements by this Honourable Court and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, This 18th day of August, 2017.



A Commissioner, etc.

)
)
) 
) _____
) **ARIF N. DHANANI**
)
)

Daniel Raphael Welsz, a Commissioner, etc., Province of Ontario, for Collins Barrow Toronto LLP and Collins Barrow Toronto Limited. Expires June 8, 2018.

**THIS IS EXHIBIT "A" REFERRED TO IN THE
AFFIDAVIT OF ARIF N. DHANANI SWORN BEFORE
ME THIS 18th DAY OF AUGUST, 2017**



A Commissioner, etc.

Daniel Raphael Weisz, a Commissioner, etc.,
Province of Ontario, for Collins Barrow
Toronto LLP and Collins Barrow Toronto
Limited. Expires June 8, 2019.

**Calculation of Average Hourly Billing Rates of
Collins Barrow Toronto Limited
for the Passing of Accounts Period**

Invoice No.	Billing Period	Total Fees	Disbursements	HST	Hours	Average Hourly Rate	Total
4	September 1, 2016 to September 30, 2016	\$13,051.00	\$22.12	\$1,699.51	35.00	\$372.89	\$14,772.63
5	October 1, 2016 to October 31, 2016	\$10,707.00	\$37.16	\$1,396.74	30.10	\$355.71	\$12,140.90
6	November 1, 2016 to August 4, 2017	\$12,954.00	\$51.32	\$1,690.69	37.60	\$344.52	\$14,696.01
	Grand Total	\$36,712.00	\$110.60	\$4,786.94	102.70	\$357.47	\$41,609.54

THIS IS EXHIBIT "B" REFERRED TO IN THE
AFFIDAVIT OF ARIF N. DHANANI SWORN
BEFORE ME THIS 18th DAY OF AUGUST, 2017



A Commissioner, etc.

Daniel Raphael Welsz, a Commissioner, etc.,
Province of Ontario, for Collins Barrow
Toronto LLP and Collins Barrow Toronto
Limited. Expires June 8, 2019.



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Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario
M5H 4C7 Canada

To Collins Barrow Toronto Limited
Court-appointed Receiver of Dang Variety Store and Gas
Bar and Lucky Restaurant Inc.
11 King Street West, Suite 700
Toronto, ON M5H 4C7

T. 416.480.0160
F. 416.480.2646

toronto.collinsbarrow.com

Date October 17, 2016

GST/HST: 80784 1440 RT 0001

Client File 112384-34519

Invoice 4

No. C000357

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. ("**Dang Variety**" or the "**Company**") for the period September 1, 2016 to September 30, 2016.

Date	Professional	Description
9/1/2016	Daniel Weisz	Conference call with J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare") and A. Dhanani to discuss status of HST, the status of the sale of the property; review emails.
9/1/2016	Arif Dhanani	Telephone call with J. Larry to discuss status of HST returns.
9/6/2016	Daniel Weisz	Discussion with A. Dhanani on status of management agreement; review emails.
9/7/2016	Arif Dhanani	Telephone call with an offeror regarding deposit cheque amendment; discussion with W Behno re management agreement extension and attendance by appraiser; email to appraiser to confirm attendance on September 12, 2016.
9/8/2016	Arif Dhanani	Commence drafting Receiver's First Report; emails to/from J. Larry regarding timing of report and closing; email to J. McCash of Region-Wide Real Estate Inc. to confirm accuracy of description of marketing efforts; telephone call with AMCO Petroleum Ltd. ("AMCO") regarding sales reports and invoicing; email to First Source requesting updated account statement; discussion with J. Berger re ADT and TSSA.
9/8/2016	Daniel Weisz	Review emails regarding status of the sale and discussion with A. Dhanani on same.
9/8/2016	Jeffrey Berger	Discussion with A. Dhanani regarding notices received from ADT and TSSA.
9/9/2016	Cindy Baeta	Prepare disbursement cheques; post deposit to Ascend.
9/9/2016	Jeffrey Berger	Corresponding with ADT and TSSA regarding outstanding invoices.
9/9/2016	Daniel Weisz	Review documentation received regarding agreement of purchase and sale, discussion with A. Dhanani on same; discussion with A. Dhanani on enquiry from AMCO; review and sign cheques.
9/9/2016	Donna Nishimura	Deposit cheque at the bank.
9/9/2016	Arif Dhanani	Review of email and waiver document sent by an offeror, discussion with D. Weisz regarding same; review of AMCO fuel supply and signage contract

Date	Professional	Description
		and send same to J. Larry; email to J. McCash regarding waiver document, send revised waiver document to an offeror; telephone call with Kitchener Coin Company; review of invoice from TSSA and authorize payment of same; email to ADT Security regarding outstanding amounts due; drafting Receiver's First Report.
9/12/2016	Arif Dhanani	Follow up with J. McCash and an offeror on execution of appropriate waiver and request timing for receipt of deposit; emails to/from W. Behno regarding fuel order; review First Source statement of account to September 12, 2016; corresponding with W. Behno and K. McArthur regarding sales reporting; continue drafting Receiver's First Report.
9/12/2016	Daniel Weisz	Discussion with A. Dhanani on status of sale of property.
9/13/2016	Daniel Weisz	Discussion with A. Dhanani on waiver received; amend Receiver's First Report to Court.
9/13/2016	Arif Dhanani	Reconcile AMCO debit/credit card sales to sales receipts for the period August 24 to September 11, 2016; email to J. Larry regarding CIBC correspondence with respect to CRA's Requirement to Pay.
9/14/2016	Daniel Weisz	Review summary of activities; work on report to court and discussion with A. Dhanani on same.
9/15/2016	Arif Dhanani	Emails to/from J. Larry regarding balance of deposit due from purchaser; continue with amendments to Receiver's First Report; telephone call with V. Perricone of Gray & Associates; email to V. Perricone with statement of property tax and water arrears.
9/16/2016	Daniel Weisz	Discussion with A. Dhanani regarding draft report.
9/16/2016	Cindy Baeta	Prepare disbursement cheques; post deposit to Ascend; prepare bank reconciliations.
9/16/2016	Arif Dhanani	Finalize changes to Receiver's First Report and send to J. Larry for review; draft letter to CRA regarding HST and release same; email to purchaser regarding third party assets on site; telephone call with purchaser regarding balance of deposit.
9/16/2016	Donna Nishimura	Deposit cheque at the bank.
9/19/2016	Arif Dhanani	Review changes made to Receiver's First Report by J. Larry and update report; assemble appendices to report; telephone call with V. Perricone regarding legal opinion and fees; telephone call with J. Larry regarding holdback.
9/20/2016	Arif Dhanani	Amending Receiver's First Report for details regarding Paliare Roland's fees to August 31, 2016 and update appendices; review legal opinion from Gray & Associates Professional Corporation on validity and enforceability of First Source Mortgage.
9/21/2016	Arif Dhanani	Telephone calls with V. Perricone regarding legal opinion; meet with D. Weisz regarding amendments to report and incorporate same; finalize report, including exhibits and send to J. Larry for service.
9/21/2016	Daniel Weisz	Review legal opinion on security received and discussion with A. Dhanani on same, review and edit updated First Report to Court and discussion with A. Dhanani on same; review updated opinion from Gray & Associates and discussion with A. Dhanani on same.
9/22/2016	Arif Dhanani	Reconcile credit/debit card sales to September 20, 2016.

9/17

Date	Professional	Description
9/23/2016	Cindy Baeta	Prepare disbursement cheques.
9/23/2016	Daniel Weisz	Review of application filed in support of the October 6, 2016 application; discussion with A. Dhanani on draft order.
9/26/2016	Arif Dhanani	Review cash sales deposits to bank account, email to W. Behno in this regard and discussion with W. Behno.
9/27/2016	Arif Dhanani	Complete HST return for the period June 17 to 30, 2016.
9/30/2016	Cindy Baeta	Prepare disbursement cheques and post to Ascend.
9/30/2016	Arif Dhanani	Review fuel invoice from AMCO and authorize payment of same; review credit/debit and cash sales for prior weeks and reconcile same.
9/30/2016	Daniel Weisz	Discussion with A. Dhanani on banking, management agreement expiration.
		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.

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FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CIRP, LIT	Senior Vice President	7.8	\$ 495	\$ 3,861.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	23.1	\$ 375	8,662.50
Jeffrey K. Berger, CPA, CA	Senior Analyst	0.9	\$ 195	175.50
Cindy Baeta/Donna Nishimura	Estate Administrator	3.2	\$ 110	352.00
Total hours and professional fees		35.0		\$ 13,051.00
Disbursements				
Courier			\$ 22.12	
Total disbursements				22.12
Total professional fees and disbursements				\$ 13,073.12
HST @ 13%				1,699.51
Total payable				\$ 14,772.63

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.





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Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario
M5H 4C7 Canada

To Collins Barrow Toronto Limited
Court-appointed Receiver of Dang Variety Store and Gas
Bar and Lucky Restaurant Inc.
11 King Street West, Suite 700
Toronto, ON M5H 4C7

T. 416.480.0160
F. 416.480.2646

toronto.collinsbarrow.com

Date November 8, 2016

GST/HST: 80784 1440 RT 0001

Client File 112384-34519

Invoice 5

No. C000372

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. ("**Dang Variety**" or the "**Company**") for the period October 1, 2016 to October 31, 2016.

Date	Professional	Description
10/4/2016	Jeffrey Berger	Corresponding with Rogers regarding arrears on account and notice of pending disconnection; preparing various cheque requisitions.
10/4/2016	Arif Dhanani	Telephone call with W. Behno regarding Rogers Communications ("Rogers") notice, review same and forward to J. Berger.
10/5/2016	Arif Dhanani	Review invoices from AMCO Petroleum Ltd. ("AMCO") and credit/debit card sales reports; approve invoices for payment.
10/6/2016	Arif Dhanani	Email to W. Behno to follow up on extension of management agreement and request sales receipts to date.
10/7/2016	Cindy Baeta	Prepare disbursement cheques; post deposit to Ascend.
10/11/2016	Daniel Weisz	Review emails regarding closing of transaction and discussion with A. Dhanani on same.
10/11/2016	Arif Dhanani	Email to J. Larry of Pallare Roland Rosenberg Rothstein LLP ("Paliare") regarding closing date; telephone call with V. Perricone of Gray & Associates to confirm closing date, respond to questions and coordinate logistics and tasks.
10/12/2016	Arif Dhanani	Emails to/from V. Perricone regarding HST number and joint election; draft and release correspondence to Rogers; telephone call with W. Behno regarding logistics at closing, management fees and reimbursement for payroll.
10/13/2016	Arif Dhanani	Telephone call with V. Perricone regarding closing date; reconcile daily cash sales, HST collected to bank statements for the period September 30 to October 9, 2016.
10/14/2016	Cindy Baeta	Prepare disbursement cheques; post deposit to Ascend; prepare bank reconciliations.
10/14/2016	Arif Dhanani	Emails to/from gas bar manager regarding closing date, invoices for costs and turnover of operations.
10/14/2016	Daniel Weisz	Review and sign cheques; review summary of activities.

Date	Professional	Description
10/17/2016	Jeffrey Berger	Corresponding with various utility companies and suppliers regarding the cancellation of accounts due to the sale of the property (water, hydro, gas and communications providers).
10/17/2016	Arif Dhanani	Discussion with J. Berger and emails to/from J. Berger and D. Weisz regarding utility meter readings and closing on October 28, 2016; discussion with J. Berger regarding Rogers account.
10/17/2016	Daniel Weisz	Review emails regarding closing matters.
10/18/2016	Jeffrey Berger	Corresponding with various utility companies and suppliers regarding the cancellation of accounts due to the sale of the property (point of sale systems and alarm provider).
10/18/2016	Arif Dhanani	Emails to/from W. Behno regarding payment for management fees and other costs.
10/19/2016	Arif Dhanani	Review and approve various invoices for payment; complete and file HST return for the period July 1, 2016 to September 30, 2016.
10/20/2016	Daniel Weisz	Discussion with A. Dhanani regarding personal property and third party assets on the premises and addressing their disposition in anticipation of the closing of the sale of the property.
10/21/2016	Cindy Baeta	Prepare disbursement cheques.
10/21/2016	Arif Dhanani	Draft cover letters to AMCO and W. Naif to be included with cheques; emails to/from AMCO regarding payment of invoice and return of signage, if appropriate; email to purchaser regarding return of signage.
10/24/2016	Arif Dhanani	Review email from AMCO and respond thereto; emails to AMCO, Kitchener Coin and Air-Serv regarding notification to purchaser to make arrangements to keep assets on site or removal thereof; emails to/from J. Berger to confirm cancellation of various utilities on closing date; email to gas bar manager regarding removal of debit/credit card machines; reconciling sales receipts for October 10-17, 2016 with AMCO reports; telephone call with W. Behno with update regarding return of third party assets; review of draft Vesting Order registration language and amend same; telephone call with V. Perricone.
10/24/2016	Daniel Weisz	Review draft closing documents and discussion with A. Dhanani on same.
10/24/2016	Jeffrey Berger	Corresponding with Rogers regarding the cancellation of the Dang account, effective October 28, 2016.
10/25/2016	Daniel Weisz	Review emails regarding the closing of the sale of the property.
10/25/2016	Arif Dhanani	Telephone call with W. Behno regarding purchaser's request for pressure test; email to purchaser regarding tightening/pressure test on October 26, 2016 and follow up email thereto; reviewing and amending various closing documents forwarded by V. Perricone.
10/26/2016	Daniel Weisz	Review updated and additional closing documents and discussion with A. Dhanani on same.
10/26/2016	Arif Dhanani	Finalize changes to closing documentation and send amended documents to V. Perricone; telephone call with V. Perricone; emails to Kitchener Coin and Air-Serv regarding contact from purchaser and removal of equipment on site; review sales receipts for October 18-24, 2016.

Date	Professional	Description
10/27/2016	Jeffrey Berger	Corresponding with CRA regarding the September 30, 2016 notice of assessment for HST, filing a RC342 form with CRA to obtain the release of HST refunds being held due to non-compliance.
10/27/2016	Arif Dhanani	Follow up email to W. Behno regarding Global Payments machine and turnover of keys; email Kitchener Coin to confirm timing of pick-up of ATM machine from premises; review of final indemnity and release forwarded by V. Perricone, make additional changes and send to V. Perricone; reconcile sales receipts to AMCO reports for October 20-24, 2016; filing emails and attending to file administration.
10/27/2016	Daniel Weisz	Review updated closing documents and discussion with V Perricone regarding closing of the transaction; discussion with A. Dhanani regarding banking.
10/28/2016	Cindy Baeta	Prepare disbursement cheques; post deposit to Ascend.
10/28/2016	Arif Dhanani	Emails to/from and telephone call with W. Behno to confirm all cash deposited into Receiver's account, obtain final fuel inventory readings and sales receipts for October 25-27, 2016; email to V. Perricone with final fuel inventory amounts for statement of adjustments; discussion with D. Weisz regarding signing closing documentation; telephone call with purchaser regarding key turnover and confirm timing and contact with W. Behno; reconcile cash sales to deposits made; email to AMCO with request to provide sales reports for October 26 and 27, 2016; further emails from/to gas bar operator regarding key turnover and email to purchaser in this regard.
10/28/2016	Daniel Weisz	Attend at offices of Gray & Associates to sign documents required to complete transaction for sale of the property and discussion with A. Dhanani on same.
10/28/2016	Jeffrey Berger	Telephone conversation with Global Payments regarding an unsettled balance from the terminal that was returned.
10/31/2016	Arif Dhanani	Emails to/from gas bar manager regarding turnover of keys to purchaser; review final invoice from gas bar manager and approve for payment; email to HUB Insurance to cancel insurance and provide any premium refund; review of sales report for October 26 and 27, 2016 sent by AMCO, calculate total funds being held by AMCO and request payment of same to Receiver; telephone call with V. Perricone regarding amount of closing funds deposited to Receiver's account; attend to file administration; telephone call with Energy Plus regarding electricity account.
10/31/2016	Daniel Weisz	Review email regarding cancellation of insurance; discussion with A. Dhanani regarding status of funds from Gray & Associates; review court order dated October 6, 2016 regarding distribution of funds.
		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, CIRP, LIT	Senior Vice President	5.8	\$ 495	\$ 2,871.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	18.2	\$ 375	6,825.00
Jeffrey K. Berger, CPA, CA	Senior Analyst	4.0	\$ 195	780.00
Cindy Baeta	Estate Administrator	2.1	\$ 110	231.00
Total hours and professional fees		30.1		\$ 10,707.00
Disbursements				
Couriers			\$ 37.16	
Total disbursements				37.16
Total professional fees and disbursements				\$ 10,744.16
HST @ 13%				1,396.74
Total payable				\$ 12,140.90

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.





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Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West
Suite 700, PO Box 27
Toronto, Ontario
M5H 4C7 Canada

To Collins Barrow Toronto Limited
Court-appointed Receiver of Dang Variety Store and Gas
Bar and Lucky Restaurant Inc.
11 King Street West, Suite 700
Toronto, ON M5H 4C7

T. 416.480.0160
F. 416.480.2646

toronto.collinsbarrow.com

Date August 15, 2017

GST/HST: 80784 1440 RT 0001

Client File 112384-34519

Invoice 6

No. C000510

For professional services rendered with respect to the appointment of Collins Barrow Toronto Limited as Court-appointed Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. ("**Dang Variety**" or the "**Company**") for the period November 1, 2016 to August 4, 2017.

Date	Professional	Description
11/1/2016	Jeffrey Berger	Corresponding with Sentex Communications regarding the cancellation of the Company's account; preparing cheque requisitions.
11/1/2016	Daniel Weisz	Review bank account for AMCO Petroleum Ltd. ("AMCO") deposit.
11/1/2016	Arif Dhanani	Approve payment of commission invoice to Region-Wide Realty; review AMCO sales reports, deposit to Receiver's account, reconcile same.
11/4/2016	Cindy Baeta	Prepare disbursement cheques; post deposit to Ascend.
11/4/2016	Daniel Weisz	Review and sign cheques.
11/8/2016	Jeffrey Berger	Corresponding with Canada Revenue Agency ("CRA") regarding the filing of RC342 form and CRA's withholding of funds.
11/8/2016	Daniel Weisz	Review receipts and disbursements and proposed distribution and discussion with A. Dhanani on same.
11/8/2016	Arif Dhanani	Review of Receiver's general ledger and bank statement and reconcile same; draft statement of receipts and disbursements and distribution schedule and send to D. Weisz for comments; attending to file administration; finalize schedules and send to D. Mandel of First Source Mortgage Corporation ("First Source").
11/9/2016	Sandra Pereira	Prepare disbursement cheques.
11/9/2016	Daniel Weisz	Filing of emails; review and sign cheques.
11/9/2016	Arif Dhanani	Revise Trustee's reporting and re-send to First Source; review of email from First Source and telephone call with D. Mandel.
11/10/2016	Arif Dhanani	Responding to email from First Source regarding various issues with gas bar operations.
11/11/2016	Cindy Baeta	Prepare disbursement cheques; post deposit to Ascend; prepare bank reconciliation.
11/15/2016	Arif Dhanani	Review of email from J. Larry of Paliare Roland Rosenberg Rothstein LLP ("Paliare") and respond thereto regarding sending copies of invoices to

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Date	Professional	Description
		counsel for guarantor and holdback.
11/16/2016	Daniel Weisz	Review exchange of emails; prepare for and attend conference call with J. Larry and A. Dhanani regarding finalization of receivership administration; discussion with V. Perricone of Gray & Associates.
11/16/2016	Arif Dhanani	Review of email from J. Larry regarding questions from W. Kaufmann on statement of adjustments, provide explanation and source document back up.
11/18/2016	Arif Dhanani	Review of fax from CRA with questions, discuss same with D. Weisz and call to D. Mandel.
11/18/2016	Daniel Weisz	Discussion with A. Dhanani on correspondence received from CRA.
11/22/2016	Daniel Weisz	Discussion with A. Dhanani on status of finalizing of receivership administration.
11/23/2016	Cindy Baeta	Prepare disbursement cheques; post deposit to Ascend.
11/29/2016	Daniel Weisz	Filing of emails.
11/30/2016	Jeffrey Berger	Reviewing a final invoice from Rogers Communications and corresponding with the company regarding same; preparing cheque requisitions.
11/30/2016	Donna Nishimura	Deposit cheque at the bank.
12/7/2016	Cindy Baeta	Prepare disbursement cheque; post deposit to Ascend.
12/15/2016	Cindy Baeta	Prepare bank reconciliation.
1/9/2017	Jeffrey Berger	Corresponding with Rogers regarding the December 15, 2016 bill issued on the Dang Variety account.
1/19/2017	Arif Dhanani	Draft Receiver's Second Report to Court; update Receiver's statement of receipts and disbursements to January 19, 2017.
1/20/2017	Cindy Baeta	Prepare bank reconciliation.
2/3/2017	Cindy Baeta	Prepare disbursement cheque.
2/8/2017	Arif Dhanani	Draft and send letter to CIBC regarding demand for payment.
2/9/2017	Daniel Weisz	Discussion with A. Dhanani regarding water account and status re finalization of receivership administration.
2/16/2017	Arif Dhanani	Review of CRA HST audit request for October 1 to December 31, 2016 and prepare response and materials therefor.
2/17/2017	Cindy Baeta	Photocopy regarding HST audit/bank reconciliation.
2/17/2017	Arif Dhanani	Finalize package to go to CRA with documents requested by CRA for audit of October 1 - December 31, 2016 HST return.
2/27/2017	Daniel Weisz	Discussion with A. Dhanani on status of CRA request.
3/7/2017	Arif Dhanani	Call with W. Kaufman; call with Bulloch Technology ("Bulloch") and email to R. Aurora with contact details for Bulloch.
3/10/2017	Cindy Baeta	Prepare bank reconciliation.
3/15/2017	Arif Dhanani	Call with M. Durova of CRA regarding additional information requested for HST input tax credits for the period October 1 - December 31, 2016; email to D. Weisz and J. Larry in this regard.
3/15/2017	Daniel Weisz	Discussion with A. Dhanani regarding status of CRA.
3/21/2017	Arif Dhanani	Draft response to CRA request for Receiver to file debtor's income tax return

Date	Professional	Description
		for the fiscal year ended December 31, 2015.
4/3/2017	Arif Dhanani	Reply to CRA request for further information regarding audit of ITCs claimed for the period October 1, 2016 to December 31, 2016, draft cover letter and send same to CRA.
4/5/2017	Arif Dhanani	Complete and file HST return for the period January 1, 2017 to March 31, 2017.
4/7/2017	Arif Dhanani	Draft letter to CRA responding to questions in respect of Receiver's RC342 request.
4/7/2017	Daniel Weisz	Discussion with A. Dhanani on status of CRA; discussion with J. Larry regarding finalizing receivership administration.
4/12/2017	Cindy Baeta	Prepare bank reconciliation
4/25/2017	Daniel Weisz	Review emails between W. Kaufman and A. Dhanani regarding finalization of the receivership and discussion with A. Dhanani on same.
4/26/2017	Arif Dhanani	Update and amend Receiver's Second Report to the Court.
4/27/2017	Arif Dhanani	Finalize initial draft of Receiver's Second Report to the Court and send to D. Weisz for comments; review D. Weisz comments and commence incorporating same.
4/27/2017	Daniel Weisz	Review and update Second Report to the Court.
4/28/2017	Arif Dhanani	Finalize changes to Second Report and send to J. Larry for comments.
5/4/2017	Arif Dhanani	Review of HST Notices of Assessment received from CRA regarding pre-receivership RT0001 account and forward to W. Kaufmann; update Receiver's Second Report.
5/5/2017	Daniel Weisz	Discussion with A. Dhanani on CRA assessments of pre-receivership HST returns; review changes to the draft report and discussion with A. Dhanani on direction from the assignee of the security held by First Source; discussion with A. Dhanani on status of HST liability.
5/5/2017	Arif Dhanani	Call with R. Schindler regarding HST returns and income tax returns outstanding; emails from/to W. Kaufmann regarding timing of Receiver's Second Report and Court approval; discussion with D. Weisz regarding report and email to J. Larry.
5/12/2017	Cindy Baeta	Prepare bank reconciliation.
5/15/2017	Daniel Weisz	Review emails.
5/16/2017	Arif Dhanani	Emails to/from J. Larry regarding pre-receivership HST payable and outstanding income tax returns.
5/18/2017	Daniel Weisz	Discussion with A. Dhanani on status of report to Court.
6/9/2017	Cindy Baeta	Prepare bank reconciliation.
6/15/2017	Arif Dhanani	Review email from W. Kaufman and response thereto by J. Larry; review subsequent email from W. Kaufman and respond thereto.
6/15/2017	Daniel Weisz	Review emails regarding Woodland request for distribution and discussion with A. Dhanani regarding same.
7/5/2017	Arif Dhanani	Call with R. Schindler regarding HST; message for CRA regarding closure of RT0001 HST account; review message from CRA and email to R. Schindler in this regard.
7/14/2017	Cindy Baeta	Post cheques to Ascend; prepare bank reconciliation.

Date	Professional	Description
7/25/2017	Arif Dhanani	Call with CRA and send responding email to R. Schindler regarding status of CRA and receivership.
		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.

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FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Daniel R. Weisz, CPA, CA, CIRP, LIT	Senior Vice President	4.8	\$ 495	\$ 2,376.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Vice President	25.5	\$ 375	9,562.50
Jeffrey K. Berger, CPA, CA	Senior Analyst	2.5	\$ 195	487.50
Cindy Baeta/Donna Nishimura/Sandra Pereira	Estate Administrator	4.8	\$ 110	528.00
Total hours and professional fees		37.6		\$ 12,954.00
Disbursements				
Couriers			\$ 51.32	
Total disbursements				51.32
Total professional fees and disbursements				\$ 13,005.32
HST @ 13%				1,690.69
Total payable				\$ 14,696.01

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

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APPENDIX L

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.

Respondent

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

**AFFIDAVIT OF SARITA SANASIE
(Sworn August 14, 2017)**

I, Sarita Sanasie, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an assistant at law firm of Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland"). I have personal knowledge of the matters to which I hereinafter refer.
2. Pursuant to the order of the Honourable Mr. Justice Sloan dated June 16, 2016 (the "Appointment Order"), Collins Barrow Toronto Limited was appointed the receiver (the "Receiver") of the lands and premises municipally known as Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Property").
3. Pursuant to the Appointment Order, Paliare Roland has provided services to and incurred disbursements on behalf of the Receiver. The detailed invoice

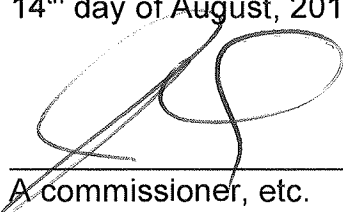
attached hereto and marked as **Exhibit "A"** (the "Dockets") set out Paliare Roland's fees and disbursements for the period January 30, 2017 to July 5, 2017.

4. The Dockets describe the services provided and the amounts charged by Paliare Roland.

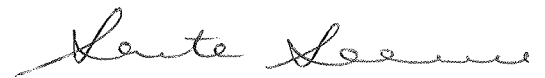
5. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate charged by Paliare Roland. The hourly rates charged are the usual hourly rates charged by Paliare Roland for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Jeff Larry, Partner, 2001 Call	\$600/hr	2.30	\$1,380.00
Total		2.30	\$1,380.00

SWORN BEFORE ME, at the City of
Toronto, in the Province of Ontario this)
14th day of August, 2017.)



A commissioner, etc.)



Sarita Sanasie



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

416.646.4300
paliareroland.com

Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West, Suite 700
Toronto, Ontario M5H 4C7

July 31, 2017
Invoice No.: 79216
Our File No.: 6595-92785

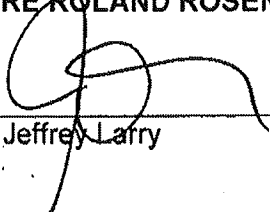
Attention: Bryan Tannenbaum

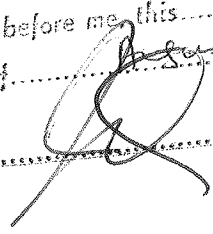
RE: Dang Variety

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending July 31, 2017:

Total Fees	\$ 1,380.00
Total Disbursements subject to HST	120.00
Total HST	<u>195.00</u>
INVOICE TOTAL	<u><u>\$ 1,695.00</u></u>

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP

Per: 
Jeffrey Larry

(this is Exhibit 4A referred to in the
affidavit of SARITA SANASIE
sworn before me this
day of August 2017

A COMMISSIONER, ETC



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

416.646.4300
 paliareroland.com

109

Collins Barrow Toronto Limited
 Collins Barrow Place
 11 King Street West, Suite 700
 Toronto, Ontario M5H 4C7

July 31, 2017
 Invoice No.: 79216
 Our File No.: 6595-92785

Attention: Bryan Tannenbaum

RE: Dang Variety

FOR PROFESSIONAL SERVICES RENDERED on this matter for the period ending July 31, 2017:

DATE	LYR	DESCRIPTION	RATE	HOURS	AMOUNT
30/01/17	JL	Various matters; correspondence with W. Kauffman re: finalizing receivership; correspondence with A. Dhanani;	600.00	0.90	540.00
07/04/17	JL	Correspondence and discussion with V. Perricone re: assignment issue; review of file;	600.00	0.40	240.00
15/06/17	JL	Review an consider report; consider and respond to email correspondence; telephone call with counsel;	600.00	0.50	300.00
05/07/17	JL	Review correspondence; consider and discuss next steps; telephone call with A. Dhanani;	600.00	0.50	300.00

TIME SUMMARY

MEMBER	POSITION	HOURS	RATE	VALUE
Jeffrey Larry (JL)	Partner	2.30	600.00	1,380.00

Collins Barrow Toronto Limited

Invoice No.: 79216
Our File No.: 6595-92785
Page No.: 2

OUR FEES	\$ 1,380.00
HST at 13%	179.40
 <u>Taxable Disbursements:</u>	
Process Server Fees/Disbursements	120.00
 HST at 13%	 15.60
 INVOICE TOTAL	 <u><u>\$ 1,695.00</u></u>

ERRORS AND OMISSIONS EXCLUDED TERMS: DUE UPON RECEIPT. AMOUNTS ARE STATED IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED.
 INTEREST AT THE RATE OF 0.80% PER ANNUM WILL BE CHARGED ON ALL AMOUNTS NOT PAID WITHIN ONE MONTH FROM THE DATE OF THIS INVOICE.
 HARMONIZED SALES TAX REGISTRATION NUMBER 88366 4518 RT 0001



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

416.646.4300
paliareroland.com

111

Collins Barrow Toronto Limited
Collins Barrow Place
11 King Street West, Suite 700
Toronto, Ontario M5H 4C7

July 31, 2017
Invoice No.: 79216
Our File No.: 6595-92785

Attention: Bryan Tannenbaum

RE: Dang Variety

**REMITTANCE COPY
PLEASE REMIT WITH PAYMENT**

Total Fees	\$ 1,380.00
Total Disbursements subject to HST	120.00
Total HST	195.00
INVOICE TOTAL	\$ 1,695.00

**FIRST SOURCE MORTGAGE
CORPORATION**

Applicant

vs.

**DANG VARIETY STORE AND GAS BAR
AND LUCKY RESTAURANT INC.**

Respondent

Court File No. C-585-16

**ONTARIO
SUPERIOR COURT OF JUSTICE**
Proceedings commenced at
KITCHENER

**AFFIDAVIT OF SARITA SANASIE
(sworn August 14, 2017)**

**PALIARE ROLAND ROSENBERG
ROTHSTEIN LLP**

Barristers

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

Jeff Larry (LSUC No. 44608D)

Tel: (416) 646-4300

Fax: (416) 646-4301

Lawyers for Collins Barrow Toronto Limited,
in its capacity as Receiver of Dang Variety
Store and Gas Bar and Lucky Restaurant
Inc.

APPENDIX M

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FIRST SOURCE MORTGAGE CORPORATION

Applicant

- and -

DANG VARIETY STORE AND GAS BAR AND LUCKY RESTAURANT INC.

Respondent

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

**AFFIDAVIT OF VINCE PERRICONE
(Sworn August 15, 2017)**

I, Vince Perricone, of the City of Vaughan, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a lawyer at the law firm of Gray & Associates. I have personal knowledge of the matters to which I hereinafter refer.
2. Pursuant to the order of the Honourable Mr. Justice Sloan dated June 16, 2016 (the "Appointment Order"), Collins Barrow Toronto Limited was appointed the receiver (the "Receiver") of the lands and premises municipally known as Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Property").
3. Pursuant to the Appointment Order, Gray & Associates has provided services to and incurred disbursements on behalf of the Receiver. The detailed invoice attached hereto and marked as **Exhibit "A"** (the "Gray Accounts") set out

Gray & Associate's fees and disbursements for the period ended November 2, 2016.

4. The Dockets describe the services provided and the amounts charged by Gray & Associates.

5. The following is a summary of the professionals whose services are reflected in the Dockets, including hourly rates, fees billed, hours billed and the average hourly rate charged by Gray & Associates. The hourly rates charged are the usual hourly rates charged by Gray & Associates for the listed professionals.

Professional	Hourly Rate	Hours Billed	Fees Billed
Vince Perricone, 2002 Call	\$425.00 /hr	22.0	\$9,350.00
Total		22.0	\$9,50.00

SWORN BEFORE ME, at the City of Toronto, in the Province of Ontario this 15th day of August, 2017.


A commissioner, etc.

Lina Corelli, a Commissioner, etc.,
Province of Ontario, for Gray & Associates
Professional Corporation, Barristers and Solicitors.
Expires July 19, 2019.


Vince Perricone

Collins Barrow Toronto Limited
11 King St. W., Suite 700, Box 27,
Toronto, Ontario, Canada, M5H 4C7

Unit 37
111 Zenway Blvd.
Vaughan, Ontario
L4H 3H9

Tel: (905) 264-1040
Fax: (905) 264-7020

GRAY & ASSOCIATES
PROFESSIONAL CORPORATION
BARRISTERS & SOLICITORS

November 2, 2016

H.S.T. NO. 807427729RT

STATEMENT OF ACCOUNT

Re: 2533550 Ontario Inc. (the "Purchaser") purchase from Collins Barrow Toronto Limited In its capacity as Court Appointed Receiver of Dang Variety Store and Gas Bar and Lucky Restaurant Inc. (the "Vendor") pursuant to an Agreement of Purchase and Sale dated August 11, 2016 (the "Purchase Agreement")

File No.: P-11646/16

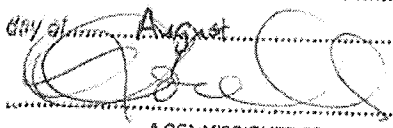
FOR PROFESSIONAL SERVICES RENDERED HEREIN INCLUDING:

- TO discussions with you and receiving instructions;
- TO review of Court Order appointment receiver and Agreement of Purchase and Sale;
- TO drafting closing documentation;
- TO amendments thereto, discussions and negotiations with Purchaser's counsel;
- TO receipt of closing documentation prepared by Purchaser's counsel;
- TO amendments thereto, discussions and negotiations with Purchaser's counsel;
- TO updating tax arrears;
- TO preparation of Vesting Order;
- TO completion of HST joint election form.
- TO attending on the execution of closing documentation;
- TO attending on the completion of the transaction;
- TO reporting to you.

OUR FEE	<u>\$9,350.00</u>	\$9,350.00
---------	-------------------	------------

<u>Disbursements</u>	
Teraview search costs	\$226.20
Photocopies	75.00
Couriers	90.00
Bank fees	7.72
Tax Certificate	60.00
Water Certificate	50.00
Cyberbahn corporate searches	124.85
Conveyancer software disbursement	20.00
Postage	<u>5.00</u>
TOTAL DISBURSEMENTS	

This is Exhibit NA1 referred to in the
 affidavit of Luise Perricone
 sworn before me, this 15
 day of August 2017



A COMMISSIONER FOR TAKING AFFIDAVITS
 Lina Corelli, Commissioner, etc.,
 Provincial Commissioner for Gray & Associates
 Professional Corporation, Barristers and Solicitors, 658.77
 Expires July 10, 2019.

Harmonized Sales Tax

HST on Fees	\$1,215.50	
HST on Disbursements	85.64	
TOTAL HST		<u>\$1,301.14</u>

** Exempt from HST*

TOTAL FEES & DISBURSEMENTS including HST

\$11,309.91

**GRAY & ASSOCIATES
PROFESSIONAL CORPORATION**

Per: 
Vince Perricone

** Legal services provided through Vince Perricone Professional Corporation*