

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

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

BLOCK 80 HOLDINGS INC. and ANDRE SHERMAN

Respondents

**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**

AIDE MEMOIRE OF THE APPLICANT

June 14, 2024

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A. Background

1. On May 23, 2024, First Source Financial Management Inc. (the “**Lender**”) commenced an application against Block 80 Holdings Inc. (the “**Borrower**”) and Andre Sherman (the “**Guarantor**”) seeking:

- (a) The appointment of a receiver in respect of real property municipally known as Block 80, Bellisle Heights, 62 Thompsons Road, Penetanguishene, Ontario (the “**Real Property**”), which is owned by the Borrower; and
- (b) Judgment against the Borrower and the Guarantor in respect of their indebtedness to the Lender.

2. This Application arose from a mortgage loan made by the Lender to the Borrower in April 2021 (the “**Loan**”), which was guaranteed by the Guarantor and secured by the Real Property.¹

3. Ultimately, the Lender advanced \$5,100,000 to the Borrower under the Loan.²

4. The Borrower defaulted under the Loan on a number of occasions by failing to repay the Loan on maturity. Accordingly, the Lender, the Borrower and the Guarantor executed three forbearance agreement between November 1, 2023 and March 1, 2024.³

¹ Affidavit of Kunj Patel, affirmed June 7, 2024 (the “**Patel Affidavit**”), paras. 7, 12, Application Record of the Applicant (“**AR**”), Tab 2, pp. 18-19 ([A18](#)).

² Patel Affidavit, para. 33, AR, Tab 2, p. 23 ([A23](#)).

³ Patel Affidavit, para. 35, AR, Tab 2, p. 23 ([A23](#)).

5. As part of the forbearance agreement dated November 1, 2023, the Borrower and the Guarantor executed consents to:

(a) Judgment as against the Borrower and the Guarantor in the amount of \$5,500,000 plus applicable interest; and

(b) The appointment of a receiver in respect of all the assets, undertakings and properties of the Borrower,

(collectively, the “**Consents**”).⁴

6. The Borrower and the Guarantor agreed that the Lender could rely on the Consents in the event of default by the Borrower under the forbearance agreements.

7. Under the most recent forbearance agreement dated March 1, 2024, the Lender agreed to forbear from enforcement of the Loan until April 8, 2024 and the Borrower agreed to repay the Loan by April 8, 2024.⁵

8. The Borrower failed to repay the Loan by April 8, 2024 and the Lender now seeks to rely on the Consents.⁶

B. Scheduling

9. The Lender respectfully requests that a return date be scheduled for this application as soon as possible.

⁴ Patel Affidavit, para. 30, AR, Tab 2, p. 23 ([A23](#)).

⁵ Patel Affidavit, para. 34, AR, Tab 2, p. 23 ([A23](#)).

⁶ Patel Affidavit, para. 35, AR, Tab 2, p. 23 ([A23](#)).

10. The Lender is unaware of the respondents' position on this Application, but the Lender notes that the respondents have both explicitly consented to the relief being sought, through the Consents.

11. Accordingly, the Lender estimates that a hearing of no more than one hour would be required for this Application.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 14th day of June, 2024.



Jeffrey Larry/ Ryan Shah

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