

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

B E T W E E N:

DORR CAPITAL CORPORATION and OLYMPIA TRUST COMPANY

Plaintiffs

- and -

**FLATO GREENS INC., DUNDALK MIXED USE EXPANSION ONE INC.,
PATTERSON STREET HOLDINGS INC., FLATO NORTH VILLAGE DUNDALK INC.,
BRAEMORE DUNDALK TWO INC., MELANCTHON MEADOWS INC.,
2760562 ONTARIO INC., FLATO MANAGEMENT INC.
and SHAKIR REHMATULLAH**

Defendants

**SUPPLEMENTARY FACTUM OF THE PLAINTIFFS
(Motion to Appoint a Receiver)**

June 22, 2026

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1. Capitalized terms not defined herein have the same definition as in the Plaintiffs' factum dated June 16, 2026.

2. The chart at Schedule "A" (the "**DCC Loans Chart**") sets out the five different DCC Loans, the dates they were established, the original maturity date, the amount owing as of June 5, 2026, including Interest Arrears, and the amendments (including any increase in loan amount and change in maturity date).

3. As a preliminary point, the Borrowers are also in monetary default on loans to third parties: the Flato Greens second mortgage for \$4.5 million over the EcoPark Lands granted without DCC's knowledge or consent (the TCC Second Mortgage), and an Expansion Inc. mortgage for \$1.2 million held by Farm Lending Canada Inc. (over different Expansion Inc. lands than the Expansion Inc. Lands over which DCC holds a first mortgage).¹

4. Furthermore, not only did the Borrowers not comply with the payment terms in the Forbearance Agreement, Shakir is intentionally encumbering assets of the Borrowers and Guarantors. On May 21, 2026, Flato Greens granted a fourth mortgage for \$4 million over the EcoPark Lands contrary to the prohibition in the DCC EcoPark Mortgage and in the Forbearance Agreement (Term 14).² On the same date, Shakir granted a second mortgage for \$8,174,055 over his matrimonial home.³

¹ Second Supplementary Motion Record of the Plaintiffs, dated June 22, 2026 ("**Second Supp. Record**"), Second Supplementary Affidavit of Brian Dorr, sworn June 22, 2026, ("**Second Supp. Dorr Affidavit**"), at para 5 and 14.

² Motion Record of the Plaintiffs, dated June 8, 2026 ("**Record**"), Affidavit of Brian Dorr, sworn June 5, 2026 ("**Dorr Affidavit**"), at paras. 37, 52 and 65, Exhibit "22", DCC EcoPark Mortgage, Exhibit "35", Forbearance Agreement, and Exhibit "39", Unauthorized Realtrium Fourth Mortgage.

³ Second Supp. Record, Second Supp. Dorr Affidavit, at paras. 19 and 23, Exhibit "9", Parcel Page for 5662 19th Avenue, Markham, dated June 22, 2026, and registered second mortgage;

5. The allegations made in Shakir's responding affidavit sworn June 19, 2026 (the "**Shakir Affidavit**"), regarding DCC and RealAlt Investments ("**RealAlt**") improperly not releasing funds relating to unit subscriptions in RealAlt by Maude Investments Corporation ("**Maude**") instead of these funds being applied to the Interest Arrears under the DCC Loans, are addressed below:

- (a) the Forbearance Agreement (which includes a consent by the Borrowers to the appointment of a receiver over the Borrowers at Term 20) also includes a short form release at Term 23, and a long form release with an even wider scope at Schedule "L".

The scope of the short form release is as follows:⁴

all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defences, rights of set-off, demands and liabilities whatsoever (individually, a "**Claim**" and collectively, "**Claims**") of every name and nature, known or unknown, suspected or unsuspected, both arising at law and in equity, which the Borrower, Related Borrowers and/or Guarantors or any of them, or any of their successors, assigns or other legal representatives may now own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which has arisen, or arises, and is known or unknown to the Borrower, Related Borrowers and/or Guarantors as of the date of the Agreement, including but not limited to any actions or omissions relating to the Loans the Commitment Letters, the Security Documents and this Agreement.

- (b) the Maude position and evidence on RealAlt (or on anything for that matter) is not Shakir's to put forward, as he is not an officer or director or shareholder of Maude. Shakir's wife Mariam Shakir is the sole officer, director and shareholder of Maude.⁵ There is no evidence that Maude is related to Shakir or to any of his companies, other than a bald allegation in Shakir's affidavit that Maude "is a company related to Flato

⁴ Record, Dorr Affidavit, at para 52, Exhibit "35", Forbearance Agreement, Term 23 and Schedule "L".

⁵ Second Supp. Record, Second Supp. Dorr Affidavit, at paras. 27-28, Exhibit "15", Maude Officer's Certificate and Exhibit "16", Corporate Profile Report of Maude, dated June 22, 2026.

and which I use for investments”.⁶ As a result, the Maude evidence Shakir has put forward is hearsay without even any mention of who the original author is, and it is also not the best evidence without Shakir providing any explanation for that best evidence omission. The Maude allegations should be given no weight;

- (c) the allegation that Maude’s investment in RealAlt was to have been repaid in 2024 is inconsistent with (i) a share pledge agreement granted by Maude to DCC dated April 3, 2024, as security a loan for a \$1,500,000 made by DCC to both Shakir and Mariam Shakir (which loan was repaid on or about May 13, 2025), and (ii) a second share pledge agreement granted by Maude to DCC on May 30, 2025, as security for a \$1.5 million increase in the principal amount of the DCC Expansion Inc. Loan (from \$12 million to \$13.5 million);⁷
- (d) similarly, the following statement at paragraph 68 of the Shakir Affidavit is irreconcilable with the two share pledge agreements granted by Maude:⁸

To be absolutely clear, neither Brian [Dorr] nor DCC sought our permission to apply the [Maude] funds to other investments.⁹

⁶ Responding Motion Record of the Defendants, dated June 19, 2026 (“**Responding Record**”), Affidavit of Shakir Rehmatullah, sworn June 19, 2026 (“**Shakir Affidavit**”), at para. 58.

⁷ Second Supp. Record, Second Supp. Dorr Affidavit, at paras. 19, 21 and 26, Exhibit “9”, Parcel Page for 5662 19th Avenue, Markham, Exhibit “10”, Maude Markham Share Pledge Agreement, and Exhibit “14”, Maude Expansion Inc. Share Pledge Agreement.

⁸ Second Supp. Record, Second Supp. Dorr Affidavit, at paras.19 and 25, Exhibit “10”, Maude Markham Share Pledge Agreement, and Exhibit “14”, Maude Expansion Inc. Share Pledge Agreement.

⁹ Responding Record, Shakir Affidavit, at para. 68.

- (e) in addition, even if they were not currently being held as security by DCC, the Maude unit subscriptions are not liquid assets. They are governed by RealAlt policies and procedures regarding redemption;¹⁰
- (f) furthermore, the Maude unit subscriptions are only security for the DCC Expansion Inc. Loan (as of June 5, 2026, total indebtedness of \$14,650,564.85, including interest arrears of \$870,384.99),¹¹ whereas the total indebtedness over all the Borrowers exceeds \$29,065,313.50, including \$1,875,731.21 in interest arrears.¹² Two of the DCC Loans have matured, being the EcoPark Loan and the Braemore Inc. Loan, with indebtedness as of June 5, 2026, of \$6,093,766.74 and \$5,507,881.52, respectively,¹³ and there is a cross default provision between all of the DCC Loans;¹⁴ and
- (g) in paragraphs 63 and 67 of the Shakir Affidavit, the inference, if not the explicit threat, is that Maude has a claim in contract and/or tort in respect of its purchase of subscription units in RealAlt as a result of alleged breaches and/or improprieties by RealAlt relating to these purchases. Yet Shakir still wants DCC to apply Maude's funds to the Interest Arrears under DCC Loans in the face of these allegations. He states in paragraph 72 of the Shakir Affidavit that "if RealAlt and DCC will not return the funds to Maude or apply them as a set-off against the amounts that Flato owes to DCC, Maude will issue a Notice of Action and pursue this issue."¹⁵

¹⁰ Second Supp. Record, Second Supp. Dorr Affidavit, at paras. 30 to 34.

¹¹ Record, Dorr Affidavit, at para. 63, Exhibit "37", DCC Loan Payout Statements.

¹² *Ibid.*

¹³ Record, Dorr Affidavit, at paras. 50 and 63, Exhibit "37", DCC Loan payout Statements.

¹⁴ Record, Dorr Affidavit, at para. 41, Exhibits "9", "12", "15", "18" and "21", Commitment Letters.

¹⁵ Responding Record, Shakir Affidavit, at paras. 63, 67 and 72.

Sealing Order Request

6. The test for a sealing order was established by the Supreme Court in *Sierra Club*, and subsequently recast in *Sherman Estate*. The test requires the court to consider whether:¹⁶

- (a) Court openness poses a serious risk to an important public interest;
- (b) the Order sought is necessary to prevent this serious risk to the identifiable interest because reasonable alternative measures will not prevent this risk; and
- (c) as a matter of proportionality, the benefits of the order outweigh its negative effects.

7. Each of these considerations supports the proposed sealing Order:

- (a) **Public Interest:** The maximization of recovery in insolvency has been found to constitute an important public interest for the purpose of obtaining a sealing order. The granting of a sealing order in respect of commercially sensitive information is therefore “standard practice” in insolvency proceedings,¹⁷ and courts have approved sealing orders where they are required to protect commercially sensitive information, including the ultimate purchase price.¹⁸ As the publication of the terms of the Purported EcoPark APS could adversely impact the future marketability of the EcoPark Lands, the sealing of this information is necessary to ensure that recoveries in these receivership proceedings are maximized;

¹⁶ *Sherman Estate v. Donovan*, [2021 SCC 25](#), at [para. 38](#).

¹⁷ *Yukon (Government of) v. Yukon Zinc Corporation*, [2022 YKSC 2](#), at [para. 39](#).

¹⁸ *Danier Leather Inc., Re*, [2016 ONSC 1044](#), at [para. 84](#); *Elleway Acquisitions Limited v. 4358376 Canada Inc. (“Elleway Acquisitions”)*, [2013 ONSC 7009](#) at [para 48](#).

- (b) **Lack of a Reasonable Alternative:** Courts in insolvency proceedings have found that there is no reasonable alternative to a sealing Order in circumstances where declining to grant the proposed Order would materially impair the maximization of asset value for the benefit of stakeholders.¹⁹ In the present case, there are no reasonable alternatives to a sealing Order which would prevent the risks to the stakeholders outlined above; and
- (c) **Proportionality:** The benefits of the proposed sealing Order greatly exceed any disadvantages. No party will be prejudiced by the temporary sealing of the Purported EcoPark APS, and no public interest will be served if it is made public prior to closing, prejudicing stakeholder recoveries in the process.²⁰

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 22nd day of June, 2026



ERIC GOLDEN/CHAD KOPACH
Lawyers for the Plaintiffs

¹⁹ *Original Traders Energy Ltd. (Re)*, (“**Original Traders**”), [2023 ONSC 753](#) at [paras. 60-62](#).

²⁰ See *Elleway Acquisitions*, at [para. 48](#), in which the court held that the beneficial effects of maximizing recoveries in insolvency greatly outweigh any deleterious effects which could result for sealing an APA pending a transaction closing.

Schedule “A”

Loan and Date	Amount Owing as of June 5, 2026	Extension Date	Extension Date	Extension Date	Extension Date	Extension Date	Extension Date	Extension Date	Extension Date	Extension Date
Original Amount	Interest Arrears as of June 5, 2026	New Loan Amount	New Loan Amount	New Loan Amount	New Loan Amount	New Loan Amount	New Loan Amount	New Loan Amount	New Loan Amount	New loan amount
Maturity Date		Maturity Date	Maturity Date	Maturity Date	Maturity Date	Maturity Date	Maturity Date	Maturity Date	Maturity date	Maturity date
Patterson										
August 16, 2017	\$349,115.68	July 25, 2018	August 20, 2019	September 1, 2020	August 23, 2021	August 29, 2022	September 6, 2023	August 20, 2024	September 17, 2024*	August 6, 2025
\$320,000	\$16,757.18	\$320,000 (unchanged)	\$320,000 (unchanged)	\$320,000 (unchanged)	\$320,000 (unchanged)	\$320,000 (unchanged)	\$320,000 (unchanged)	\$320,000 (unchanged)	\$320,000 (unchanged)	\$320,000 (unchanged)
September 1, 2018		September 1, 2019	September 1, 2020	September 1, 2021	September 1, 2022	September 1, 2023	September 1, 2024	September 1, 2025	September 1, 2025	September 1, 2026
Braemore										
February 17, 2022	\$5,507,881.52	June 20, 2022	September 6, 2023	March 11, 2024	September 5, 2024	September 16, 2024*	March 3, 2025	August 6, 2025		
\$4,930,000	\$418,671.66	\$4,930,000 (unchanged)	\$4,930,000 (unchanged)	\$4,930,000 (unchanged)	\$4,930,000 (unchanged)	\$4,930,000 (unchanged)	\$4,930,000 (unchanged)	\$4,930,000 (unchanged)		
September 1, 2023		September 1, 2023	December 1, 2023	September 1, 2024	March 1, 2025	March 1, 2025	September 1, 2025	May 1, 2026		
Expansion										
October 6, 2022	\$14,650,564.85	September 17, 2024*	October 29, 2024	May 29, 2025	October 14, 2025					
\$12,000,000	\$870,384.99	\$12,000,000 (unchanged)	\$12,000,000 (unchanged)	\$13,500,000	\$13,500,000 (unchanged)					
November 1, 2024		November 1, 2024	November 1, 2025	November 1, 2025	November 1, 2026					

Melancthon										
January 24, 2023	\$2,463,984.71	March 11, 2024	September 5, 2024	September 16, 2024*	March 3, 2025	August 6, 2025				
\$2,250,000	\$186,674.85	\$2,250,000 (unchanged)	\$2,250,000 (unchanged)	\$2,250,000 (unchanged)	\$2,250,000 (unchanged)	\$2,250,000 (unchanged)				
March 1, 2024		September 1, 2024	March 1, 2025	March 1, 2025	September 1, 2025	September 1, 2026				
EcoPark										
January 24, 2023	\$6,093,766.74	September 5, 2024	September 17, 2024*	February 24, 2025	April 25, 2025	May 12, 2025	September 2, 2025			
\$4,000,000	\$383,242.53	\$4,000,000 (unchanged)	\$4,000,000 (unchanged)	\$4,000,000 (unchanged)	\$4,530,000	\$5,000,000	\$5,000,000 (unchanged)			
September 1, 2024		March 1, 2025	March 1, 2025	September 1, 2025	September 1, 2025	September 1, 2025	March 1, 2026			

*indicates Cross-Default Commitment Amendment as described at paragraph 41 of Affidavit of Brian Dorr, sworn June 5, 2026.

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Plaintiffs

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Proceeding commenced at Toronto

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