

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

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

11603531 CANADA INC.

Respondent

APPLICATION UNDER SECTION 243(1) of the *BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE*
ACT, R.S.O. 1990, c. c-43, AS AMENDED

MOTION RECORD

April 19, 2024

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I N D E X

Tab	Document
1.	Notice of Motion dated April 19, 2024
2.	Second Report of the Receiver dated April 19, 2024
A.	Appendix “A” – Appointment Order dated November 14, 2023
B.	Appendix “B” – Endorsement of Justice Cavanagh dated November 14, 2023
C.	Appendix “C” – Aide Memoire of MNP Ltd. dated February 27, 2024
D.	Appendix “D” – Endorsement of Justice Osborne dated February 29, 2024
E.	Appendix “E” – First Report of the Receiver dated March 20, 2024
F.	Appendix “F” – Supplement to the First Report of the Receiver dated March 22, 2024
G.	Appendix “G” – Order of Justice Osborne dated March 26, 2024

Tab	Document
H.	Appendix “H” – Endorsement of Justice Osborne dated March 26, 2024
I.	Appendix “I” – Bank of Montreal Payout Statement dated April 1, 2024
J.	Appendix “J” – Security Opinion Re: Bank of Montreal
K.	Appendix “K” – Receiver’s Interim & Projected Statement of Receipts and Disbursements
L.	Appendix “L” – Fee Affidavit of Deborah Hornbostel sworn April 19, 2024
M.	Appendix “M” – Fee Affidavit of Jason Spetter sworn April 19, 2024
3.	Draft Order (Blacklined)

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

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APPLICATION UNDER SECTION 243(1) of the *BANKRUPTCY AND INSOLVENCY ACT*
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ACT, R.S.O. 1990, c. c-43, AS AMENDED

NOTICE OF MOTION

MNP Ltd. (“**MNP**”), in its capacity as the Court-appointed receiver and manager (in such capacities, the (“**Receiver**”), without security, of all the assets, undertakings, and properties of 11603531 Canada Inc. (“**116**”), including the real property municipally known as 55 Dundas Street East, Toronto, Ontario, M5B 1C6 (the “**Real Property**”), acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) on April 25, 2024 at 10:00 a.m., or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- [] In writing under subrule 37.12.1(1) because it is (*insert one of on consent, unopposed or made without notice*);
- [] In writing as an opposed motion under subrule 37.12.1(4);

- In person;
- By telephone conference;
- By video conference.

at the following Zoom details:

- To Be Provided

THE MOTION IS FOR:

1. An Order, substantially in the form attached hereto at Tab 3 of the Motion Record, for the following relief:
 - (a) If necessary, the abridgement of the time for service of the Notice of Motion and Motion Record herein and dispensing of service thereof;
 - (b) The approval of the Receiver's activities described in the Second Report of the Receiver dated April 19, 2024 (the "**Second Report**");
 - (c) The approval of the Receiver's Interim Statement of Receipts and Disbursements as at April 19, 2024 and its Projected Final Statement of Receipts and Disbursements;
 - (d) The approval of the Receiver's fees and disbursements and those of its counsel Spetter Zeitz Klaiman PC ("**SZK**") as set out in the Second Report;
 - (e) Authorizing the termination of the receivership proceedings and the discharge and release of the Receiver conditional upon: (i) payment to the Applicant, Bank of Montreal ("**BMO**"), pursuant to the BMO Settlement as defined in the Second

Report; (ii) payment in full of fees and disbursements owing to the Receiver and SZK; and (iii) the Receiver filing a Certificate of Completion with the Court;

(f) Relieving the Receiver of any and all financial liabilities relating to the Real Property and/or 116 and requiring 116 to be responsible for any and all such unpaid liabilities incurred prior to or during the receivership; and

2. Such further and other relief as required in the circumstances and this Honorable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Background

3. Upon application by BMO and pursuant to the terms of the Order of the Honourable Mr. Justice Cavanagh dated November 14, 2023 (the "**Receivership Order**"), the Receiver was appointed as receiver and manager without security, of all the assets, undertakings, and properties of the Debtor (the "**Property**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* ("**BIA**") and section 101 of the *Courts of Justice Act* ("**CJA**").

4. 116 is the owner of the Real Property. The Real Property is a five-storey retail/office building and is the principal asset of 116.

5. BMO has a first-ranking mortgage on the Real Property, an assignment of rents, and a charge on 116's personal property.

6. The directors of 116 are Adnan Khalid and Usman Khalid ("**Usman**").

7. Pursuant to the Receivership Order, the Receiver was authorized and directed to market and sell the Real Property in accordance with an approved sales process, including advertising and soliciting offers in respect of the Real Property and negotiating terms and conditions of sale as the Receiver determined to be appropriate.
8. Despite the Receiver taking possession of the Real Property pursuant to the Receivership Order, Usman and Gold Stock Corporation (“GSC”) (another tenant in the Real Property), frustrated the Receiver’s attempts to carry out the Receivership.
9. As a result, on March 26, 2024, the Court issued an Order that compelled, *inter alia*, Usman, GSC, and other tenants of the Real Property to, *inter alia*, grant access to the Real Property, provide sublease agreements, books, and other records to the Receiver, and remove hazardous material from the Real Property (the “**March 26, 2024 Order**”).
10. Usman failed to fully comply with the March 26, 2024 Order, impeding the Receiver’s ability to conduct the sale process of the Real Property and impairing the value of the Real Property.
11. The sales process of the Real Property generated three (3) offers. All were declined due to the amounts being significantly below the appraised value and non-compliance with required terms.

The BMO Settlement

12. As at April 1, 2024, the BMO debt was \$8,354,997.09, inclusive of property tax arrears of \$562,907.55 that BMO paid during the receivership.

13. On April 11, 2024, BMO agreed to discharge its security against 116 in exchange for payment of \$8,000,000.
14. BMO is motivated to accept a reduction of its debt due to the ongoing defiant behavior of Usman and the questionable lease arrangements implemented by 116 that have impaired the value of the Real Property.
15. Upon discharge of the Receiver, all liabilities owing by 116 will remain as outstanding against 116, including any claims of the Canada Revenue Agency.
16. The Receiver is only aware of pre-receivership claims of the following creditors: Enbridge Gas, Toronto Hydro, and Kone Elevator. There is also a pending constructive trust lawsuit against 116 for approximately \$2 million.
17. For the reasons in the Second Report, the Receiver recommends that the Court grant the requested Order sought herein.

Approval of Activities and Fees

18. In the Second Report, the Receiver has included a detailed description of its activities, its fees and disbursements and the fees and disbursement of its lawyers.
19. The Receivership Order provides that the Receiver and its legal counsel are entitled to be paid their reasonable fees and disbursements at their standard rates and charges, and are required to pass their accounts from time to time.
20. The Receiver's activities, statement of receipts and disbursements, including the fees and disbursements of its legal counsel as set out in the Second Report, are fair and reasonable

and ought to be approved.

Discharge of the Receiver

21. In view of the BMO Settlement, the receivership proceedings should be terminated and the Receiver discharged upon completion of (i) payment to BMO pursuant to the BMO Settlement; (ii) payment in full of fees and disbursements owing to the Receiver and SZK; and (iii) the Receiver filing a Certificate of Completion with the Court.

Other Grounds

22. As contained in the Second Report.
23. Rules 1.04, 2.03, 3.02 and 37 of the *Rules of Civil Procedure*.
24. Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) The Second Report;
- (b) The Affidavit of Deborah Hornbostel, sworn April 19, 2024 (the “**MNP Fee Affidavit**”);
- (c) The Affidavit of Jason Spetter, sworn April 19, 2024 (the “**SZK Fee Affidavit**”);
and
- (d) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

DATE: April 19, 2024

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BANK OF MONTREAL

Applicant

-and-

11603531 CANADA INC.

Respondent

Court File No.: CV-23-00705867-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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TAB 2

Court File No.: CV-23-00705867-00CL

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

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3,
as amended**

BETWEEN

BANK OF MONTREAL

Applicant

- and -

11603531 CANADA INC.

Respondents

**SECOND REPORT OF MNP LTD. AS RECEIVER OF THE ASSETS, UNDERTAKINGS AND
PROPERTIES OF 11603531 CANADA INC.**

April 19, 2024

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Appendix “B”	Endorsement of Justice Cavanagh Dated November 14, 2023
Appendix “C”	Aide Memoire of MNP Ltd. Dated February 27, 2024
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Appendix “E”	First Report of The Receiver Dated March 20, 2024
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Appendix “G”	Order of Justice Osborne Dated March 26, 2024
Appendix “H”	Endorsement of Justice Osborne Dated March 26, 2024
Appendix “I”	Bank of Montreal Payout Statement Dated April 1, 2024
Appendix “J”	Security Opinion Re: Bank of Montreal
Appendix “K”	Receiver’s Interim & Projected Statement of Receipts and Disbursements
Appendix “L”	Fee Affidavit of Deborah Hornbostel Sworn April 19, 2024
Appendix “M”	Fee Affidavit of Jason Spetter Sworn April 19, 2024

INTRODUCTION AND BACKGROUND

1. By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 14, 2023 (the “**Appointment Order**”), MNP Ltd. was appointed receiver (in such capacity, the “**Receiver**”), without security, of those assets, undertakings and properties of 11603531 Canada Inc. (“**116**”) pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and section 101 of the *Courts of Justice Act*, as more particularly described in the Appointment Order. Attached hereto as **Appendix “A”** is a copy of the Appointment Order. Attached hereto as **Appendix “B”** is a copy of the Endorsement.

2. The Appointment Order was granted upon an application commenced by Bank of Montreal (“**BMO**”) as 116 was in default of its secured obligations to BMO in the amount of approximately \$7.35 million. BMO is secured by a first-ranking mortgage on the Real Property (as described below), an assignment of rents, and a charge on 116’s personal property.

3. The circumstances leading to the appointment of the Receiver are set out in the Affidavit of Leo Chun sworn September 7, 2023, included in BMO’s application record dated September 12, 2023.

4. 116 is a corporation incorporated pursuant to the federal laws of Canada. The assets of 116 principally consist of a five-storey retail/office building located at 55 Dundas Street East, Toronto, Ontario (“**55 Dundas**” or the “**Real Property**”).

5. The directors of 116 are Adnan Khalid and Usman Khalid (“**Usman**”). The guarantors of the BMO indebtedness are a related company, Gold Stock Corporation (“**GSC**”), Khalid Mahmood and Adnan Khalid. BMO holds security over the assets, undertakings and properties of GSC, which is not in receivership but occupies the third floor at 55 Dundas and appears to be run by Usman.

6. At the date of the receivership, 116 was also indebted to the City of Toronto for unpaid property taxes and water bills totaling in excess of \$550,000.

7. On or about November 26, 2023, Usman provided the Receiver with a copy of the lease between 116 and 10587699 Canada Corp. (“**105**” and the “**105 Lease**”), which is a related party, that essentially leased the Real Property’s floors 1, 3, 4 and 5 to 105. The 105 Lease contains questionable non-commercial terms and none of the units are occupied by 105. No sub-lease agreements were provided to the Receiver.

8. Usman purports to be the contact person for all of the units leased by 105 and during the receivership he has refused to provide access to the Receiver, realtors, building inspectors, measurement takers, photographers, other service providers and potential purchasers, citing a two-week notification clause within the 105 Lease, thereby hindering the Receiver’s sales process and increasing the costs of the receivership. The Receiver notes that even after providing a two-week notification, Usman still failed to provide access as requested.

9. The only other “lease” documentation provided by Usman to the Receiver were two notices given by 116 to 2325084 Ontario Inc. (“**232**”) with respect to occupation terms for the basement and second floor following the expiration on December 31, 2022 of 232’s previous lease. There were no signed acknowledgments by 232.

10. Despite repeated requests for Usman to provide all books and records of 116 to the Receiver, no information was provided other than the 105 Lease and 232 rent notices and expired leases.

11. The Receiver has been attempting to obtain source documents from utility companies in order to provide an accounting to 232 of the actual common area charges. This information is also a key consideration for prospective purchasers. The lack of cooperation in providing this information is a further example of Usman frustrating these proceedings and the Receiver’s sale process.

12. On February 29, 2024, counsel for the Receiver attended at Court to advise the Court of the lack of cooperation by Usman and to seek an Order compelling him to comply with the

Appointment Order. Attached hereto as **Appendix “C”** is a copy of the Aide Memoire of MNP Ltd. dated February 27, 2024 that was provided to the Court.

13. On February 29, 2004, Justice Osborne scheduled a hearing date of March 26, 2024 for the Receiver’s motion with respect to access and other relief and urged the Respondent, including Usman, to consider its position with regard to access “in order that contested motions with the attendant cost and delay can be minimized.” Attached hereto as **Appendix “D”** is a copy of the Endorsement of Justice Osborne dated February 29, 2024.

14. Despite that Endorsement, Usman continued to restrict access to the Receiver, its realtor, prospective purchasers and building inspectors and failed to provide any further books, records or sub-leases.

15. On March 20, 2024, the Receiver issued its first report to the Court (the “**First Report**”) and a supplement to the first report on March 22, 2024 (the “**Supplement First Report**”), attached hereto as **Appendix “E”** and **Appendix “F”** respectively (without appendices). These reports were in support of the Receiver’s motion heard on March 26, 2024 to obtain certain relief from the Court regarding Usman’s conduct and his lack of cooperation in providing access to the property, books and records, and removal of hazardous material.

16. On March 26, 2024, the Court issued an Order (the “**March 26, 2024 Order**”), attached hereto as **Appendix “G”**, that, *inter alia*:

- i. abridged the time for service of the Notice of Motion and Motion Record so that that motion was properly returnable that day;
- ii. approved the First Report and the activities of the Receiver as set out in the First Report;
- iii. approved the Receiver’s Interim Statement of Receipts and Disbursements as at March 19, 2024;
- iv. sealed the confidential appendices to the Receiver’s First Report;

- v. compelled Usman, GSC and all tenants of any units located at the Real Property to provide access to the Real Property including any units therein to the Receiver and any of the Receiver's service providers, including but not limited to realtors, within 48 hours of a request for access to the Real Property;
- vi. compelled Usman, GSC, and 105 to produce, within 48 hours of the date of the March 26, 2024 Order, all books, records, and documents related to the building (both electronic and hard copy), including, inter alia, all financial records, bank statements, disbursements, invoices, fire and safety records and plans, building drawings, keys, leases, and sub-leases with respect to the occupation of all units at the Real Property;
- vii. compelled 105 or any other occupant of the Real Property, except 232, (the "**Occupants**") to:
 - a. remove, within 24 hours of the March 26, 2024 Order, all hazardous materials from the Real Property until such occupant(s) undertake(s) an audit in accordance with the Ontario Fire Code Part 5 "Hazardous Material, Processes and Operations" and obtains required approvals for the storage of such materials; and
 - b. to allow the Receiver and/or its services providers with immediate access thereafter to all units for inspection thereof to confirm removal; and,
- viii. in the event of the Occupants non-compliance of the foregoing clause, authorized, but not obligated, the Receiver to remove all hazardous materials from the Property and/or undertake an audit in accordance with the Ontario Fire Code Part 5 "Hazardous Material, Processes and Operations" and obtain required approvals for the storage of such materials without any further notice to the Occupants, and without prejudice to the Receiver seeking any related cost and expenses of same from the Occupants, subject to further order of the Court.

17. Attached as **Appendix “H”** is the Endorsement of Justice Osborne dated March 26, 2024.

18. The Application Record, Appointment Order, Endorsements, March 26, 2024 Order and all other publicly available information in these proceedings, have been posted to the Receiver’s website (the **“Receiver’s Website”**), which can be found at: <https://mnpdebt.ca/en/corporate/corporate-engagements/11603531-canada-inc>.

PURPOSE OF THIS REPORT

19. The purpose of this second report of the Receiver (the **“Second Report”**) is to:

- (a) report on the Receiver’s activities since the issuance of the First Report;
- (b) advise the Court of the settlement and expected repayment of 116’s debt owed to BMO in the amount of \$8,000,000 (the **“BMO Settlement”**) and the request of 116 to terminate the receivership proceedings and discharge of the Receiver following 116’s payment of any amounts outstanding under the Receiver’s Charge; and
- (c) provide the Court with the evidentiary basis and recommendations to make an order (the **“Approval Order”**) approving, *inter alia*:
 - (i) the Receiver’s Interim Statement of Receipts and Disbursements as at April 18, 2024 and its Projected Final Statement of Receipts and Disbursements;
 - (ii) this Second Report and the actions of the Receiver described herein;
 - (iii) the fees and disbursements of the Receiver and its counsel Spetter Zeitz Klaiman PC (**“SZK”**) and their estimated costs for completion;
 - (iv) a discharge order of the Receiver conditional upon payment to BMO pursuant to the BMO Settlement and payment in full of fees and disbursements owing to the Receiver and to its legal counsel SZK; and,

- (v) relieving the Receiver of any and all financial liabilities relating to the Real Property and/or 116 and requiring 116 to be responsible for any and all such unpaid liabilities incurred prior to or during the receivership.

TERMS OF REFERENCE

20. In preparing this First Report, the Receiver has relied on unaudited financial and other information regarding the 116 and the Real Property provided to it, including information (collectively the “**Information**”):

- (a) provided by BMO and its legal counsel;
- (b) provided by Usman;
- (c) provided by the City of Toronto;
- (d) set out in the Chun Affidavit, filed in connection with the application for the Appointment Order;
- (e) provided by 2325084 Ontario Inc. (“**232**”);
- (f) provided by Canada Revenue Agency (“**CRA**”); and
- (g) as otherwise available to the Receiver and its counsel.

21. Except as described in this Second Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

22. All currency references are in Canadian Dollars unless otherwise specified.

ACTIVITIES OF THE RECEIVER SINCE THE FIRST REPORT

Real Property

23. In early 2024, 232 advised the Receiver of its intention to vacate the second floor and on March 30, 2024 it did so. As its lease had expired on December 31, 2022, it was on a month-to-month tenancy. All rent by 232 was paid in accordance with the notice of monthly charges provided by Usman, although 232 is still awaiting a reconciliation of the actual common area charges as it believes it has overpaid 116.

24. Pursuant to the March 26, 2024 Order, Usman:

- (a) advised the Receiver that all hazardous material had been removed from the Real Property; however, he did not grant full access to the Receiver to all units for inspection to confirm the removal;
- (b) provided a key to the fire safety box and the janitorial room but did not provide keys to the units leased by 105;
- (c) provided no books and records to the Receiver, with the exception of one lease executed November 2, 2019 between 105 and 2729404 Ontario Inc. with respect to the main floor, and two unsigned lease agreements with respect to units on the fourth floor, including one dated March 4, 2024; and
- (d) refused to allow the Receiver's realtor to conduct any showings, thereby frustrating potential purchasers and devaluing the property from a marketing perspective.

25. Rent for the month of April 2024 has not been paid by 105 and no response from Usman has been received with respect to the Receiver's requests for payment thereof.

26. As previously reported, the Real Property was listed for sale with CBRE by way of a set offer submission date of April 12, 2024. As a result of that marketing process, three offers were

submitted. In consultation with BMO, the Receiver declined all offers due to the amounts being significantly below the appraised value and non-compliance with required terms. The ongoing defiant behavior of Usman and the questionable lease arrangements implemented by 116 have impaired the value of the Real Property. The CBRE listing agreement is still in place, pending completion of the BMO Settlement and approval of the Receiver's discharge by the Court.

27. As a result of the contemplated BMO Settlement and the lack of cooperation by Usman, the Receiver has recently limited its activities to simply maintaining operations, paying operating expenses and preparing for its discharge.

BMO Settlement

28. On April 11, 2024, BMO agreed to proceed to discharge its security against 116 in exchange for payment of \$8,000,000. On that same date counsel for the 116 requested the Receiver to proceed to seek a date with the Court to be discharged. The Receiver has been advised by counsel for 116 that it is in receipt \$8,000,000 in trust but it has not confirmed the source of the funds, other than to note that "the funds were cobbled together from all available sources in its circle of contacts".

29. The Receiver notes that the BMO debt was \$8,354,997.09 as at April 1, 2024 per the payout statement attached hereto as **Appendix "I"**, and inclusive of the property tax arrears in the amount of \$562,907.55 paid by BMO during the receivership.

30. Attached as **Appendix "J"** is the security opinion of SZK with respect to the BMO security registrations. Subject to the usual qualifications, assumptions and disclaimers expected with such an opinion, the opinion confirms the validity and enforceability of the BMO security.

Books and Records and Non-BMO Creditors

31. As previously reported to the Court, Usman has failed to provide any of 116's accounting records to the Receiver and has continued to ignore the March 26, 2024 Order, citing that there

is no need for him to do so, given that he was going to repay BMO and has now made arrangements to do so.

32. As previously reported to the Court, on November 14, 2023 Usman advised the Receiver that he had filed the annual HST returns to April 30, 2022 and was in the process of filing the April 30, 2023 return. He advised that no payments had ever been made to CRA for HST and he estimated the amount payable to be \$200,000. Despite requests for copies of returns and related records, Usman has provided no information to the Receiver.

33. The Receiver has not received any response from CRA as to whether or not it has any trust claims against 116 and to the best of the Receiver's knowledge, the account has still not been assigned to an insolvency officer at CRA, despite prompt notice of the receivership being provided to CRA and several follow up requests by the Receiver to CRA.

34. The Receiver is still unable to properly calculate the common area charges for the Real Property and amounts that may be owing to or by the tenants.

35. The Receiver has been paying all current utility charges, insurance premiums and property tax instalments that have come due during the receivership. As a result of the lack of payment of April rent by 105, the Receiver does not anticipate sufficient funds to pay all ongoing expenses.

36. The Receiver notes that if the Court approves the discharge of the Receiver, all liabilities owing by 116 will remain as outstanding against 116, including any claims of CRA. The only other pre-receivership claims that the Receiver is aware of are to Enbridge Gas, Toronto Hydro and Kone Elevator. In addition, there is a pending constructive trust lawsuit against 116 for approximately \$2 million.

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

37. Attached hereto as **Appendix "K"** is a copy of the Receiver's Interim & Projected Final Statement of Receipts and Disbursements as at April 18, 2024 (the "**Projected SRD**"). As set out therein, the Receiver holds \$206,315.40 as at April 18, 2024 and projects a shortfall of

approximately \$12,568 that will need to be funded, should the Court approve the discharge of the Receiver.

38. The Receiver is still awaiting the opening of an HST account by CRA so that the Receiver can remit the net HST of the receivership.

RECEIVER'S DISCHARGE

39. The Receiver's Projected SRD has been done on the basis that the Court will approve the Receiver's discharge and payment to BMO, pursuant to the BMO Settlement, will be immediately made thereafter, following which the Receiver will arrange for the transfer of the utility, insurance, property tax and any other relevant service and/or supplier accounts back to 116. The Receiver will obtain final billings for expenses incurred by the Receiver during the Receivership and remit the amounts due.

40. The Receiver is uncertain whether there will be sufficient funds available in the Receiver's trust account to cover professional fees and final accounts in the name of the Receiver. Any shortfall will be required to be paid directly by 116 to the Receiver before the Receiver files the discharge with the Court. The Receiver recommends that the Court authorize the Receiver to collect the May 1st rent due from 232 in order to cover the anticipated shortfall. Any surplus available would be repaid to 116 following completion of the receivership administration.

FEES AND DISBURSEMENTS

41. Attached hereto as **Appendix "L"** is the Fee Affidavit of Deborah Hornbostel, sworn April 19, 2024, which attaches a copy of the Receiver's dockets pertaining to the receivership for the period November 7, 2023, to and including April 18, 2024. In total, the Receiver has expended 227.1 hours of time resulting in professional fees of \$146,731.10 exclusive of applicable HST of \$19,075.04. On the assumption of a smooth transition to return 55 Dundas back to the control of 116, including prompt payment of the BMO Settlement funds to BMO and payment of unfunded professional fees, the Receiver estimates additional fees required to complete the

administration of the receivership including finalization of motion material, court attendance, termination of the CBRE listing, transition of supplier accounts back to 116, payment of final accounts, completion of BIA reporting, dealing with CRA to obtain and file HST returns, remitting payment thereof and closing the account, filing the Receiver's discharge and other ancillary matters to be \$9,000, plus applicable HST.

42. Attached hereto as **Appendix "M"** is the Fee Affidavit of Jason D. Spetter, sworn April 19, 2024, which attaches a copy of the accounts of SZK and which reflects the services provided to the Receiver in the amount of \$23,915.00 plus disbursements of \$556.30 and applicable taxes in the amount of \$3,128.11 for a total of \$27,599.41 for the period November 16, 2023 to and including April 19, 2024. SZK estimates additional fees required to finalize the receivership to be \$7,500, plus applicable HST.

43. The Receiver has reviewed the accounts of SZK and given the Receiver's involvement in this matter, the Receiver is of the opinion that all the work set out in SZK's accounts was carried out and was necessary. The hourly rates of the lawyers at SZK who worked on this matter are reasonable in light of the services required and the services were carried out by lawyers with the appropriate levels of experience.

RECOMMENDATION

44. For the reasons set out in this Second Report, the Receiver recommends that the Court grant the requested Order per paragraph 19(c).

The Receiver respectfully submits to the Court this Second Report, dated April 19, 2024.

**MNP Ltd, in its capacity as
the Court-appointed Receiver of
11603531 Canada Inc. and
not in its personal or corporate capacity**

Per:



Deborah Hornbostel *CPA, CA, CIRP, CFE, LIT*
Senior Vice President

Appendix "A"



Court File No. CV-23-00705867-00CL

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

THE HONOURABLE MR.)

TUESDAY, THE 14TH

JUSTICE CAVANAGH)

DAY OF NOVEMBER, 2023

BANK OF MONTREAL

Applicant

- and -

11603531 CANADA INC.

Respondent

APPLICATION UNDER SECTION 243(1) of the *BANKRUPTCY AND INSOLVENCY ACT* R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. c-43, AS AMENDED

**ORDER
(appointing Receiver)**

THIS APPLICATION made by the Applicant 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 MNP Ltd. as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 11603531 Canada Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day via zoom videoconference.

ON READING the affidavit of Leo Chun sworn September 7, 2023 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and such other counsel that were present as listed on the participant information sheet, no one appearing

for any other party on the service list although duly served as appears from the affidavit of service, filed, and on reading the consent of MNP Ltd. to act as the Receiver.

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and service validated, as necessary, so that this application 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*, MNP Ltd. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, including the real property described on Schedule A, 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 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 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;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$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.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property, including the real property described on schedule "A";
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) 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;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including 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.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. 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

9. 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

10. 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

11. 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

12. 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

13. 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

14. 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

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

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge

(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.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$125,000 (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.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission

shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

27. 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.

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

29. 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.


30. 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.

31. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. 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.

33. THIS COURT ORDERS that this Order is effective from the date it is made and is enforceable without any need for entry or filing.



Digitally signed by
Mr. Justice Cavanagh

Justice, Ontario Superior Court of Justice

Schedule "A"

REAL PROPERTY

The real property municipally known as 55 Dundas Street East, Toronto, Ontario M5B 1C6 and legally described as PT LT 21 W/S BOND ST, 22 W/S BOND ST PL 22A TORONTO AS IN CA734266; T/W CA734266; CITY OF TORONTO (PIN 21098-0106 (LT)).

Schedule "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that MNP Ltd., the receiver (the "Receiver") of all assets, undertakings and properties of 11603531 Canada Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor (the "Property") appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 14th day of November, 2023 (the "Order") made in an action having Court file number CV-23-00705867-00CL, 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 \$125,000 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 monthly not in advance on the last day of each month after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime rate of Bank of Montreal 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 _____, 20__.

**MNP Ltd., solely in its capacity as Receiver
of the Property, and not in its personal
capacity**

Per: _____

Name:

Title:

BANK OF MONTREAL 11603531 CANADA INC.
and
Applicant Respondent

Court File No.: CV-23-00705867-00CL

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

Proceeding commenced at TORONTO

RECEIVERSHIP ORDER

MILLER THOMSON LLP

One London Place
255 Queens Avenue, Suite 2010
London, ON Canada N6A 5R8

Tony Van Klink LSO#: 29008M

Tel: 519.931.3509

Fax: 519.858.8511

Email: tvanklink@millerthomson.com

**Lawyers for the Applicant,
Bank of Montreal**

Appendix “B”



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: **CV-23-00705867-00CL**

DATE: **November 14, 2023**

REGISTRAR: **Teodoro Olaso**

NO. ON LIST: **3**

TITLE OF PROCEEDING: **Bank of Montreal vs. 11603531 Canada Inc.**

BEFORE JUSTICE: **Cavanagh, Justice Peter**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown, etc.:

Name of Person Appearing	Name of Party	Contact Info
Tony Van Klink	Bank of Montreal	tvanklink@millerthomson.com

For Defendant, Respondent, Responding Party, Defence:


Name of Person Appearing	Name of Party	Contact Info
Howard Manis	11603531 Canada Inc.	hmanis@manislaw.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
--------------------------	---------------	--------------

ENDORSEMENT OF JUSTICE CAVANAGH:

- (1) The Applicant brings this application for the appointment of a receiver.
- (2) The Respondent is in default in repayment of loans made to it by the Applicant. A Forbearance Agreement was signed to allow the Respondent additional time to refinance the loans. The forbearance period has expired. In the Forbearance Agreement, the Respondent consented to the making of a receivership order upon the conclusion of the forbearance period.
- (3) The Respondent seeks an adjournment of this application to give it more time to arrange re-financing.
- (4) I decline to adjourn the application.
- (5) I am satisfied that it is just and convenient for a receivership order to be made.
- (6) If the Respondent is able to arrange re-financing, it may confer with the Receiver about repayment of the Applicant's secured debt and, if suitable arrangements are made, the parties are at liberty to seek an order discharging the receiver.
- (7) Order to issue in form of Order signed by me today.

 Digitally signed
by Mr. Justice
Cavanagh

Appendix “C”

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

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

11603531 CANADA INC.

Respondent

APPLICATION UNDER SECTION 243(1) of the *BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE*
ACT, R.S.O. 1990, c. c-43, AS AMENDED

**AIDE MEMOIRE OF MNP LTD.
(HEARING SCHEDULED FEBRUARY 29, 2024)**

DATE: February 27, 2024

SPETTER ZEITZ KLAIMAN PC
Barristers & Solicitors
100 Sheppard Avenue East, Suite 850
Toronto, Ontario
M2N 6N5

JASON D. SPETTER
LSO No.: 46105S
Tel: 416-789-0655
Email: jspetter@szklaw.ca

Lawyers for the Receiver, MNP Ltd.

Purpose of the Commercial List Hearing

1. This commercial list hearing is to schedule a motion brought by the receiver, MNP Ltd. (in such capacities, the “**Receiver**”), for an Order compelling the Respondent to comply with its obligations pursuant to the Order (Appointing Receiver) of the Honourable Mr. Justice Cavanagh, signed on November 14, 2023.

Background

2. The Respondent, 11603531 Canada Inc. (“**116 Canada**”), is a corporation incorporated pursuant to the federal laws of Canada. Usman Khalid (“**Khalid**”) is a director of 116 Canada and was responsible for the operations of 116 Canada at 55 Dundas Street East, Toronto, Ontario (“55 Dundas”). 116 owns a five-story building at 55 Dundas.

3. On being appointed, the Receiver immediately arranged to meet with Khalid to ascertain the status of 116 Canada’s tenants and their operations at 55 Dundas.

4. Prior to the Order, the Applicant, Bank of Montreal provided the Receiver with a copy of an appraisal of 55 Dundas dated March 24, 2023, which provided a rent roll for nine units, including three units that were deemed “owner occupied” (the “**Appraisal**”). However, following the issuance of the Order, Khalid advised the Receiver that the information he had provided in support of the Appraisal was inaccurate. He acknowledged that 116 Canada only had leases with two companies for the units at 55 Dundas: 2325084 Ontario Inc. (a tenant of two units) and 10587699 Canada Corp. (a tenant of the remaining units that had sub-leased those units to other tenants).

5. The Receiver has identified the following issues with respect to 116 Canada’s lease to 10587699 Canada Corp. (the “**105 Lease**”):

- (a) the Appraisal omitted mention of the 105 Lease;
- (b) 10587699 Canada Corp. is a party related to 116 Canada, as Khalid has represented 10587699 Canada Corp. throughout the receivership of 116 Canada;
- (c) the rate for the 105 Lease is below the market rate for similar leases; and

(d) the 105 Lease requires a two-week notice period for the landlord to gain access to the leased units.

6. The Receiver has diligently taken steps to obtain from Khalid, *inter alia*, the following:

(a) copies of the sub-leases relating to the 105 Lease;

(b) evidence that 116 Canada consented to the sub-leases relating to the 105 Lease; and

(c) proper books and records of 116 Canada;

7. Nonetheless, Khalid has failed to provide the Receiver with copies of the above and has refused to provide the Receiver access to 55 Dundas on reasonable notice, citing the clause in the 105 Lease that requires a minimum of two weeks notice for access to the leased units at 55 Dundas. He has also taken this position with respect to the showing of the units to potential purchasers of the property.

What the Receiver seeks at the Hearing

8. The Receiver is now seeking to bring a motion for an Order,

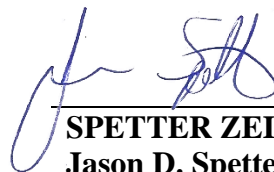
(a) that all tenants at 55 Dundas provide the Receiver and its authorized representatives access to their unit(s) with 48 hours of notice;

(b) for the Respondent to produce to the Receiver all sub-leases with respect to any existing leases at 55 Dundas along with any related consents; and

(c) for the Respondent to produce its books and records.

9. Accordingly, the commercial list hearing is necessary to schedule the said motion.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 27th day of February, 2024.



SPETTER ZEITZ KLAIMAN PC

Jason D. Spetter

Lawyers for MNP Ltd.

BANK OF MONTERAL
Applicant

-and-

11603531 CANADA INC.
Respondent

Court File No.: CV-23-00705867-00CL

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

Proceeding commenced at
TORONTO

**AIDE MEMOIRE OF MNP LTD.
(HEARING SCHEDULED
FEBRUARY 29, 2024)**

SPETTER ZEITZ KLAIMAN PC
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Lawyers for the Plaintiff

Appendix “D”



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ENDORSEMENT

COURT FILE NO.: CV-23-00705867-00CL DATE: February 29, 2024

NO. ON LIST: 2

TITLE OF PROCEEDING: **Bank of Montreal v. 11603531 Canada Inc.**

BEFORE: **Justice Osborne**

PARTICIPANT INFORMATION

For Applicant:

Name of Person Appearing	Name of Party	Contact Info
No Attendance		

For Respondent:

Name of Person Appearing	Name of Party	Contact Info
Howard Manis	Counsel for 11603531 Canada Inc.	hmanis@manislaw.ca

For Other:

Name of Person Appearing	Name of Party	Contact Info
James S. Quigley	Counsel for the Receiver (MNP Ltd.)	jsquigley@szklaw.ca

ENDORSEMENT OF JUSTICE OSBORNE:

1. The motion of the Receiver for an order compelling access to all units at the property at 55 Dundas and for other relief will proceed on **March 26, 2024 at 12 PM noon via Zoom.**
2. All counsel have confirmed their availability for that date and the fact that the motion will be fully briefed and ready to proceed.
3. Counsel and their respective clients should have a discussion prior to that hearing date and as soon as possible about whether this motion is necessary, or whether it can be resolved on consent. If the motion is contested, an award of costs could be made.

4. Counsel for the Respondent confirms today that there is no issue with access to any of the tenanted units except one which requires two weeks notice as the tenant apparently has valuable inventory on site. While the matter can be determined on a full motion if necessary, I observe that it would be the rare circumstance where that fact alone would justify such significant restrictions on access to an officer of the Court such as the Receiver. I urge the Respondent to consider its position in this regard in order that contested motions with the attendant cost and delay can be minimized.
5. Counsel for the Respondent also advised that the information provided to him was to the effect that there are no subleases in writing and that all such agreements are verbal only. The Respondent will formally confirm this in writing, and whether or not such agreements are written or oral, will provide to the Receiver forthwith all terms and particulars of such subleases including but not limited to the names of all parties, lease term, quantum and frequency of rent payments, confirmation of what if any amounts are in arrears, and any other material terms or conditions.

Olson, J.

Appendix “E”

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

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3,
as amended**

BETWEEN

BANK OF MONTREAL

Applicant

- and -

11603531 CANADA INC.

Respondents

**FIRST REPORT OF MNP LTD. AS RECEIVER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES
OF 11603531 CANADA INC.**

MARCH 20, 2024

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Appendix “B” Endorsement of Justice Cavanagh dated November 14, 2023
Appendix “C” Receiver’s Interim Statement of Receipts and Disbursements

CONFIDENTIAL APPENDICES

Confidential Appendix “1” Lease of 10587699 Canada Corp.
Confidential Appendix “2” Lease Extensions for 2325084 Ontario Inc.

INTRODUCTION

1. By order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 14, 2023 (the “**Appointment Order**”), MNP Ltd. was appointed receiver (in such capacity, the “**Receiver**”), without security, of those assets, undertakings and properties of 11603531 Canada Inc. (“**116**”) pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and section 101 of the *Courts of Justice Act*, as more particularly described in the Appointment Order. Attached hereto as **Appendix “A”** is a copy of the Appointment Order. Attached hereto as **Appendix “B”** is a copy of the Endorsement.

2. The Appointment Order was granted upon an application commenced by Bank of Montreal (“**BMO**”) as 116 was in default of its secured obligations to BMO in the amount of approximately \$7.35 million. BMO is secured by a first-ranking mortgage on the Real Property (as described below), an assignment of rents, and a charge on 116’s personal property.

3. Prior to the receivership, BMO had entered into a forbearance agreement with 116 to allow 116 additional time to obtain alternative financing. That agreement was subsequently extended several times at the request of 116 but ultimately 116 was unable to obtain alternative financing leading to granting of the Receivership Order. At the time of the Appointment Order, BMO was owed approximately \$7.4 million, with interest and other charges continuing to accrue.

4. 116 is a corporation incorporated pursuant to the federal laws of Canada. The assets of 116 principally consist of a five-storey retail/office building located at 55 Dundas Street East, Toronto, Ontario (“**55 Dundas**” or the “**Real Property**”).

5. The directors of 116 are Adnan Khalid and Usman Khalid (“**Usman**”). The guarantors of the BMO indebtedness are a related company, Gold Stock Corporation (“**GSC**”), Khalid Mahmood and Adnan Khalid. BMO holds security over the assets, undertakings and properties of GSC, which is not in receivership but occupies the third floor at 55 Dundas and appears to be run by Usman.

6. The indebtedness to BMO arose from:

(a) a \$5,050,000 loan in October 2009 to assist in the financing of the purchase of 55 Dundas; and,

(b) a \$2,697,104 loan in March 2022 to refinance an existing loan made to GSC.

7. At the date of the receivership, 116 was also indebted to the City of Toronto for unpaid property taxes and water bills for an amount in excess of \$500,000.

8. A copy of the parcel register for 55 Dundas was included as Exhibit “G” in the Affidavit of Leo Chun sworn September 7, 2023 (the “**Chun Affidavit**”), included in BMO’s application record dated September 12, 2023 (the “**Application Record**”).

9. The Application Record (including the Chun Affidavit), Appointment Order, Endorsement and all other publicly available information in these proceedings, have been posted to the Receiver’s website (the “**Receiver’s Website**”), which can be found at: <https://mnpdebt.ca/en/corporate/corporate-engagements/11603531-canada-inc>.

PURPOSE OF THIS REPORT

10. The purpose of this first report of the Receiver (the “**First Report**”) is to:

(a) report on the Receiver’s activities since the date of the Appointment Order (the “**Appointment Date**”) and more particularly, the difficulties being encountered with Usman;

(b) seek an Order from the Court approving the following:

(i) compelling Usman, GSC and all tenants of 55 Dundas to provide access within a maximum of 48 hours to the Receiver and any of its service providers, including realtors among others;

(ii) compelling Usman, GSC, 10587699 Canada Corp. (“**105**”) to produce within 48 hours of date of the Order all books, records and documents (both electronic and hard copy) related to the building,

including among others, all financial records, bank statements, disbursements, invoices, fire and safety records and plans, building drawings, keys, and leases and sub-leases with respect to the occupation of all units at 55 Dundas;

- (iii) compelling 105 or any other occupant to:
 - a) remove within 24 hours of the date of the Order all hazardous materials from the Real Property until it undertakes an audit in accordance with the Ontario Fire Code Part 5 “Hazardous Material, Processes and Operations” and obtains required approvals for the storage of such materials;
 - b) allowing the Receiver and or its service providers with immediate access thereafter to all units for inspection thereof to confirm removal; or
 - c) authorizing the Receiver to do so without any further notice to 105 or the occupants; and
- (iv) the Receiver’s Interim Statement of Receipts and Disbursements as at March 19, 2024;
- (v) this First Report and the actions of the Receiver described herein; and,
- (vi) provide the Receiver’s recommendations with respect to the foregoing relief.

TERMS OF REFERENCE

11. In preparing this First Report, the Receiver has relied on unaudited financial and other information regarding the 116 and the Real Property provided to it, including information (collectively the “**Information**”):

- (a) provided by BMO and its legal counsel;

- (b) provided by Usman;
- (c) provided by the City of Toronto;
- (d) set out in the Chun Affidavit, filed in connection with the application for the Appointment Order;
- (e) provided by 2325084 Ontario Inc. (“**232**”);
- (f) provided by Canada Revenue Agency (“**CRA**”); and
- (g) as otherwise available to the Receiver and its counsel.

12. Except as described in this First Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

13. All currency references are in Canadian Dollars unless otherwise specified.

ACTIVITIES OF THE RECEIVER SINCE THE APPOINTMENT DATE

Initial Activities

14. In addition to performing its statutory obligations under the BIA and taking the appropriate conservatory and protective measures, the Receiver carried out the following activities regarding the Real Property, including:

- (a) immediately following its appointment, arranged to meet onsite on November 14, 2023 with Usman to ascertain the status of operations, obtain books and records of 116 and explain the ramifications of the receivership proceedings. During that meeting, the Receiver was advised that 116 only had leases with two companies: 105 and 232. The Receiver was provided with minimal verbal

information relating to the operations and was advised that there were no records onsite;

- (b) promptly advised 116's insurance broker of the Appointment Order to confirm insurance coverages, arrange to be added on as loss payee and additional insured and arrange for payment of monthly premiums;
- (c) arranged for the transfer of utility and maintenance contracts to the care of the Receiver;
- (d) obtained quotes for a building condition, fire protection and life safety assessments and subsequently engaged CDW Engineering to conduct the assessments;
- (e) consulted MNP LLP's property tax specialist department to conduct a review of the property tax assessments for the Real Property, which revealed that the assessment for 55 Dundas appeared reasonable;
- (f) engaged Jones Lang LaSalle Real Estate Services Inc. to conduct an appraisal of 55 Dundas;
- (g) wrote to Canada Revenue Agency ("**CRA**") to ascertain the status of all filings and any deemed trust claims and to register the receivership for HST purposes. We note that to date, no responses have been received;
- (h) provided notice to the tenants of the Receiver's appointment and requirement for ongoing rent to be paid to the Receiver;
- (i) sought listing proposals from provided by three (3) prominent commercial real estate brokerage firms, namely CBRE, Colliers and Avison Young, each of which provided the Receiver with marketing and listing proposals for the Real Property;

- (j) entered into a listing agreement with CBRE to market the Real Property, which commenced on MLS on March 12, 2024 at a list price of \$10 million;
- (k) liaised with the City of Toronto and its bailiff with respect to the outstanding property taxes and assisted BMO in making arrangements to pay the outstanding property tax arrears of \$562,907.55 which has increased the BMO indebtedness to \$8,253,233 as at March 13, 2024.

Real Property Lease Issues

15. At the outset of the receivership, the Receiver had minimal and conflicting information with respect to the status and details of the tenants and related leases. The Receiver’s initial information on the tenant leases was obtained from an appraisal done by Colliers on behalf of 116 in March 2023 (the “**Collier’s Appraisal**”) which purported 8 different tenants as follows:

RENT ROLL SUMMARY		
Site	Tenant	Occupied SF
Basmt	2325084 Ontario Inc.	1,808
Ground Floor Retail	Diamond Centre Canada Inc. - Owner Occupied	2,032
Office	2325084 Ontario Inc.	2,083
Office	Gold Stock Canada Inc. - Owner Occupied	2,183
Office	Zaid Jewellers	700
Office	J Rock Jewellers	700
Office	Jawher Jewellery	650
Office	Ontario Mint Corp - Owner Occupied	1,000
Office	GOLD X Canada Inc. - Owner Occupied	1,000
Total NRA		12,156
Occupied %		100.0%
Vacant %		0.0%

16. During the initial meeting with Usman on November 14, 2023, he advised the Receiver that he represented 116, GSC and 105. He also advised that there were only the following two tenants:

- 232 occupying the basement and second floor pursuant to two separate leases; and
- 105 occupying units 300, 401, 402, 501, 502 and the ground floor.

17. In response to Usman's statement about there being only two tenants, the Receiver questioned Usman as to why the Colliers Appraisal had identified more tenants and enquired if there were sub-leases. Usman responded that there were sub-leases but the terms of the sub-leases were between 105 and the sub-tenants and that there was no requirement for him to provide them to the Receiver since 105 was solely responsible for the rent to 116. The Receiver advised Usman that sub-leases normally require the consent of the landlord and requested Usman to provide copies of all leases and sub-leases promptly to the Receiver.

18. On November 25, 2023, following several follow up requests to Usman for various information, Usman provided the Receiver with a copy of the lease of 105 dated the "2nd day of November 1, 2019" (the "**105 Lease**") which is a non-arm's length lease signed by Suleman Khalid on behalf of 105 and Usman on behalf of 116. A copy of the 105 Lease is attached hereto as **Confidential Appendix "1"**.

19. The Receiver also obtained the rent roll information from BMO that was provided by Usman in 2020, which we note was dated subsequent to the 105 Lease. That rent roll indicated that 105 was only leasing units 300, 401 and 402. That rent roll also purported rents at significantly higher rates than documented in the 105 Lease.

20. It appears that Usman operates several different businesses from the units covered by the 105 Lease, but the Receiver is uncertain which tenants are in fact under Usman's control or the terms by which any of those tenants occupying the units covered by the 105 Lease are operating under.

21. The 105 Lease contains many discrepancies within it, such as the term of the lease, rates and non-commercial terms such as capping TMI at a very low rate for ten years. We note that the charge to 232 for 2023 TMI was more than double per square foot charged to 105. The 105 Lease also includes renewal options for up to October 31, 2079, which is highly unusual according to all realtors consulted with by the Receiver.

22. On February 29, 2024 the Receiver's counsel attended at Court for a scheduling hearing to deal with certain issues relating to Usman's conduct in this receivership. During that hearing Usman disclosed that there were in fact no written sub-leases to provide to the Receiver. Given this disclosure, it is very concerning to the Receiver that there are tenants occupying the premises without any accountability to 116 and this fact may have a detrimental impact to the sale-ability of the Real Property.

23. With respect to the leases of 232 which relate to the basement and the second floor, the Receiver notes that the actual lease expired on December 31, 2022 and that the only evidence of a current "lease" for each of those units is a document, attached hereto as "**Confidential Appendix "2"**", issued by Usman to the tenant which does not include any signatures. We note that to date, 232 has paid rent for the basement unit in accordance with that document and has paid rent for the second-floor unit up to the end of March 2024.

24. 232 has advised the Receiver that it will be vacating the second-floor unit effective March 31, 2024; however, it believes that rent has been overpaid due to estimated TMI amounts which have not been reconciled for several years. The Receiver does not have the records to address that issue.

Books and Records

25. Usman has failed to provide any of 116's accounting records to the Receiver and the Receiver is unable to properly calculate the TMI for the Real Property and amounts that may be owing by the tenants. Usman has provided the Receiver with the basis of his original TMI estimates but claims that expenses were paid by various related companies or with cash and therefore he cannot produce evidence of the actual expenses incurred.

26. Usman advised the Receiver that there is a lot of unopened mail relating to the business at 116's registered office address in King City, which he has never opened. Although requested, he has failed to turnover that mail to the Receiver.

27. During the initial November 14, 2023 meeting, Usman advised the Receiver that he had filed the annual HST returns to April 30, 2022 and was in the process of filing the April 30, 2023 return. He advised that no payments have ever been made to CRA for HST and he estimated the amount payable to be \$200,000. Despite requests for copies of returns and related records, Usman has provided no information to the Receiver.

28. Despite previous notifications from Usman that he has building related information such as certified floor plan measurements, architectural building plans, a documented fire safety plan etc., he has again failed to provide the Receiver with any such documents.

Access to Units

29. The 105 Lease contains a clause requiring a minimum notice period of 2 weeks for the landlord to gain access to the units. Usman has repeatedly enforced this clause whenever the Receiver sought access for realtor listing proposals, an appraisal, a building conditions site inspection, and building measurements and photos for the sales process which has delayed the receivership process. Furthermore, Usman is insisting that the Receiver and its realtor continue to abide by this clause throughout the sales process with respect to the showing of the Real Property to prospective purchasers. The Receiver contends that such a clause is not commercially reasonable and would not have been agreed to if the lease was entered into with an arms-length tenant. The Receiver requests that 105 and any and all sub-tenants be required to allow access to the Receiver and any or its agents or service providers within a maximum of 48 hour of a request.

30. The Receiver has recently received the report of CDW Engineering with respect to the building conditions and fire and life safety assessment. This report indicates many maintenance, inspection, fire plan and testing related deficiencies in the building which the Receiver is attending to remedy.

31. During CDW Engineering's inspection, despite assurances from Usman that full access would be granted for the inspection, he failed to allow complete access to the first and third

floors. Furthermore, units subject to the 105 Lease were found to have compressed gas cylinders stored onsite without proper authority which causes great concern and risk to the Receiver. The Receiver has requested Usman to remove the compressed gas cylinders from the Real Property, but to date has not received confirmation from him that this has been attended to.

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

32. Attached hereto as **Appendix "C"** is a copy of the Receiver's Interim Statement of Receipts and Disbursements as at March 19, 2024 (the "**SRD**"), indicating net receipts of \$215,354.92.

CONCLUSIONS

33. The conduct of Usman Khalid has been problematic since the commencement of the receivership. He has provided contradictory information and statements to the Receiver and has been frustrating the process citing a commercially unreasonable two-week access clause. He has failed to provide books and records relating to the business and the Real Property which is preventing the Receiver from providing required TMI reconciliations to 232, computing the CRA indebtedness and being in compliance with fire and life safety requirements.


RECOMMENDATION

34. For the reasons discussed in this First Report, the Receiver recommends that the Court grant the requested Order per paragraph 10.

The Receiver respectfully submits to the Court this First Report, dated March 20, 2024.

**MNP Ltd, in its capacity as the
Court-appointed Receiver of
11603531 Canada Inc.
and not in its personal or corporate capacity**

Per:



Deborah Hornbostel *CPA, CA, CIRP, CFE, LIT*
Senior Vice President

Appendix “F”

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

**IN THE MATTER OF Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c.C.43, as amended,
and in the matter of Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3,
as amended**

BETWEEN

BANK OF MONTREAL

Applicant

- and -

11603531 CANADA INC.

Respondents

**SUPPLEMENT TO THE
FIRST REPORT OF MNP LTD. AS RECEIVER OF THE ASSETS, UNDERTAKINGS AND PROPERTIES
OF 11603531 CANADA INC.**

MARCH 22, 2024

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Appendix "A" Email from Teddy Taggart of CBRE dated March 22, 2024

PURPOSE OF THE SUPPLEMENT TO THE FIRST REPORT

1. The purpose of the supplement to the First Report is to provide the Court with comments received from the Receiver's realtor, CBRE Limited, with respect to the marketability of the property.

2. Attached as Appendix "A" is an email from Teddy Taggart of CBRE Limited indicating:
 - i. concerns raised by potential purchasers with respect to the commercial reasonableness of the 105 Lease terms; and,

 - ii. the tangible negative marketing impact that CBRE Limited is experiencing due to its inability to show the property to potential purchasers as a result of 105's restrictive actions, as represented by Usman.

The Receiver respectfully submits to the Court this Supplement to the First Report, dated March 22, 2024.

**MNP Ltd, in its capacity as the
Court-appointed Receiver of
11603531 Canada Inc.
and not in its personal or corporate capacity**



Per: _____
Deborah Hornbostel *CPA, CA, CIRP, CFE, LIT*
Senior Vice President

Appendix "G"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) , THE DAY OF
JUSTICE OSBORNE)
) , 2024

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

11603531 CANADA INC.

Respondent

APPLICATION UNDER SECTION 243(1) of the *BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE*
ACT, R.S.O. 1990, c. c-43, AS AMENDED

ORDER

THIS MOTION made by MNP Ltd., in its capacity as Court-appointed receiver and manager, without security, of all assets, undertakings, and properties of 11603531 Canada Inc. (the “**Debtor**”), including the real property at 55 Dundas Street East, Toronto, Ontario (the “**Property**”), acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* and section 101 of the *Courts of Justice Act*, and pursuant to the terms of the Order of the Honourable Mr. Justice Cavanagh dated November 14, 2023 (the “**Receivership Order**”), for orders approving

the First Report of the Receiver dated March 20, 2024 (the “**First Report**”), and the actions of the Receiver therein, and compelling the Debtor to provide certain information or access pursuant to the First Report, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Receiver and the First Report, and on hearing submissions of counsel for the Receiver and such other parties in attendance at the hearing:

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged so that this Motion is properly returnable this day and hereby dispenses with further service thereof.

Approval of Activities and Sealing Order

2. **THIS COURT ORDERS** that the First Report and the activities of the Receiver as set out in the First Report be and are hereby approved.

3. **THIS COURT ORDERS** that the Receiver’s Interim Statement of Receipts and Disbursements as at March 19, 2024, be and are hereby approved.

4. **THIS COURT ORDERS** that the confidential appendices to the Receiver’s First Report shall be sealed pending further order of this Honourable Court.

Compel Orders

5. **THIS COURT ORDERS** that Usman Khalid as director of the Debtor (“**Usman**”),

Gold Stock Corporation (“GSC”), and all tenants of any units located at the Property, shall provide access to the Property including any units therein to the Receiver and any of the Receiver’s service providers, including but not limited to realtors, within 48 hours of a request for access to the Property.

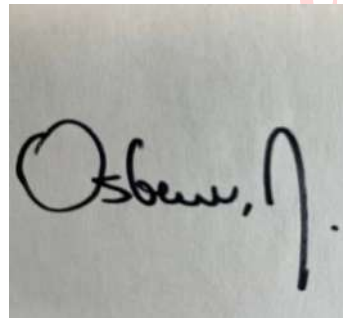
6. **THIS COURT ORDERS** that Usman, GSC, and 10587699 Canada Corp. (“105”) shall produce, within 48 hours of the date of this Order, all books, records, and documents related to the building (both electronic and hard copy), including, *inter alia*, all financial records, bank statements, disbursements, invoices, fire and safety records and plans, building drawings, keys, leases, and sub-leases with respect to the occupation of all units at the Property.

7. **THIS COURT ORDERS** that 105 or any other occupant of the Property except 2325084 Ontario Inc. operating the basement pharmacy (the “Occupants”) shall,

- a. remove, within 24 hours of this Order, all hazardous materials from the Property until such occupant(s) undertake(s) an audit in accordance with the Ontario Fire Code Part 5 “Hazardous Material, Processes and Operations” and obtains required approvals for the storage of such materials; and
- b. allow the Receiver and/or its services providers with immediate access thereafter to all units for inspection thereof to confirm removal.

8. **THIS COURT ORDERS** that, in the event of the Occupants non-compliance of paragraph 7(a) of this Order, the Receiver shall be authorized, but not obligated, to remove all hazardous materials from the Property and/or undertake an audit in accordance with the

Ontario Fire Code Part 5 “Hazardous Material, Processes and Operations” and obtain required approvals for the storage of such materials without any further notice to the Occupants, and without prejudice to the Receiver seeking any related cost and expenses of same from the Occupants, subject to further order of the Court.



2024.03

.26

13:30:1

2 -04'00'

BANK OF MONTREAL

Applicant

-and-

11603531 CANADA INC.

Respondent

Court File No.: CV-23-00705867-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

ORDER

SPETTER ZEITZ KLAIMAN PC

Barristers & Solicitors

100 Sheppard Avenue East, Suite 850

Toronto, Ontario M2N 6N5

JASON D. SPETTER [LSO No. 46105S]

IAN KLAIMAN [LSO No. 58955G]

Tel: 416-789-0652

Fax: 416-789-9015

Email: jspetter@szklaw.ca

Email: iklaiman@szklaw.ca

Lawyers for the Receiver, MNP Ltd.

Appendix “H”



**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

ENDORSEMENT

COURT FILE NO.: CV-23-00705867-00CL DATE: 26-MAR-2024

NO. ON LIST: 3

TITLE OF PROCEEDING: BANK OF MONTREAL v. 11603531 CANADA INC.

BEFORE: OSBORNE, J.

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Ian Klaiman	The Receiver, MNP	iklaiman@szklaw.ca
Tony Van Klink	The Applicant, BMO	tvanklink@millერთhompson.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Howard Manis	11603531 CANADA INC. and Usman Khalid	hmanis@manislaw.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Scott Turton	2325084 ONTARIO INC.	scott@scottturtonlaw.com

ENDORSEMENT OF JUSTICE OSBORNE:

[1] MNP, in its capacity as Court-appointed Receiver over the property of 11603531 Canada Inc. (the “Debtor”), including the real property of the Debtor at 55 Dundas St. E., Toronto, seeks an order:

- a. approving the First Report of the Receiver dated March 20, 2024;
- b. compelling the director of the Debtor, Mr. Usman Khalid (“Khalid”), Goldstock Corporation (“GSC”) and all tenants of any units located at the property, to provide access to the Receiver and its service providers including but not limited to realtors, on 48 hours notice;
- c. compelling Khalid, GSC and 10587699 Canada Corp. (“105”) to produce, within 48 hours, all books and records related to the building including leases, subleases and the other materials set out in the Notice of Motion;
- d. to remove, within 24 hours, all hazardous materials until such occupants undertake an audit in accordance with the Ontario Fire Code Part 5 “Hazardous Material, Processes and Operations” and obtain required approvals for the storage of such materials. In the alternative, the Receiver seeks an order authorizing the Receiver to proceed accordingly without further notice to 105 or the occupants;
- e. allowing the Receiver and/or its service providers to have immediate access thereafter to all units for inspection to confirm the removal of such hazardous materials;
- f. approving the Receiver’s Interim Statement of Receipts and Disbursements as at March 19, 2024; and
- g. sealing the confidential appendices to the Receiver’s First Report pending further order.

[2] The Debtor and Khalid seek an adjournment of the motion today. They do so on the basis of a medical note which counsel has uploaded to caselines, from Markham Stouffville Urgent Care Centre entitled “Sickness Certificate” in respect of Mr. Khalid.

[3] The Receiver opposes the request for an adjournment. BMO supports the position of the Receiver. 232 takes no position on the adjournment request.

[4] For the reasons below, I denied the adjournment and granted the motion of the Receiver subject to two minor points referenced below.

[5] The Debtor owns a five-story building located at the property. Khalid is a director of the Debtor and was responsible for its operations. Both GSC and 105 are entities related to the Debtor and to Khalid and are under their control or control of related family members.

[6] The Debtor is indebted to the Bank of Montréal for loans advanced in the amount of \$7,353,195.25 as at August 31, 2023 with interest and costs continuing to accrue.

[7] BMO has security over all of the assets, including a mortgage on the property. GSC, Khalid, and Khalid Mahmood are guarantors on the loans. GSC occupies the third floor in the building.

[8] Prior to the receivership order having been granted, the Debtor had entered into a forbearance agreement with BMO to give the Debtor time to source alternative financing. Notwithstanding the subsequent extension of the forbearance agreement many times at the request of the Debtor, the alternative financing never materialized.

[9] Accordingly, the Receivership Order was made on November 14, 2023. The initial information of the Receiver about the leases of units located in the Property was based on an appraisal completed in March 2023 which listed eight different tenants. However, when the Receiver met with Khalid on November 14, 2023, he advised that there were only two tenants:

- a. 2325084 Ontario Inc. (“232”) which occupied the basement and second floor pursuant to two separate leases; and
- b. 105, which occupied units 300, 401, 402, 501, 502 and the ground floor.

[10] Khalid also advised the Receiver that he represented the Debtor, GSC and 105. When questioned as to the discrepancy of the number of tenants between his information in the appraisal, he advised that there were subleases with respect to the lease of 105 although refused to provide copies of those alleged subleases.

[11] The only lease Khalid ever provided to the Receiver was the 105 lease, which in the view of the Receiver reflects that:

- a. it is non-arm’s-length in that it is signed by Khalid on behalf of 116 and by Sulemon Khalid;
- b. there are discrepancies between the 105 lease and the rent roll information the Receiver received from BMO. BMO advised that 105 was only leasing units 300, 401 and 402, and the rent rates were significantly higher than documented in the 105 lease. There are also other discrepancies in the 105 lease within the document itself including the term of the lease, the rental rate and other non-commercial terms.

[12] The Receiver states that the 232 leases expired on December 31, 2022 although 232 has paid rent for the basement unit to date, in accordance with the document that Khalid apparently provided to 232 but which does not reflect any signatures. 232 also apparently paid rent for the second floor unit up to the end of February, 2023.

[13] I pause to observe that 232 operates a pharmacy in the basement unit and previously operated a medical lab out of the second floor unit, although 232 has vacated that unit. 232 is represented in Court today. It is entirely cooperative with the Receiver and indeed has its own concerns with respect to rent and common area expenses which it has been charged by the Debtor. It, like the Receiver, has had difficulty obtaining relevant books and records from the Debtor.

[14] The Debtor and Khalid will not provide, and have failed to provide, to the Receiver any books and records for the Debtor, including its accounting records, such that the Receiver cannot properly calculate taxes, maintenance and insurance for the property, among other things. Moreover, when the Receiver has sought access to the property, Khalid has enforced a clause in the 105 lease requiring a minimum of two weeks advance notice. This has interfered with access sought by the Receiver for realtor listing proposals, an appraisal, a building condition site inspection etc. All of this has delayed the receivership process. On other occasions, Khalid has simply refused to provide the Receiver with access to the property at all.

[15] Finally, the Receiver is concerned about the storage of compressed gas cylinders on the property which it says are stored without proper authority. The Debtor and Khalid will not confirm their removal.

[16] First, I observe that none of this relief ought to have required a motion at all. The entitlement of the Receiver to the books and records from the Debtor, and to reasonable access to the property, flowing from the powers of the Receiver granted in the original receivership order. However, Mr. Khalid and the Debtor which he controls have not been cooperative.

[17] Second, this motion was returnable before me on February 29, 2024 when the Debtor and Khalid requested, and were granted, an adjournment until today. As my Endorsement of February 29 reflected, all counsel confirmed their availability for today's date and the fact that the motion would be fully briefed and ready to proceed. I urged the parties to attempt to resolve matters on consent. Also as reflected in the Endorsement, the Debtor was going to provide particulars of various of the subleases, whether written or oral, to the Receiver forthwith. That has not occurred.

[18] Finally, on February 29, the Debtor submitted that there were no issues with respect to access to tenant premises with the exception of one tenant who had valuable inventory on site. There is no evidence before me yet again as to what that is, what the problem is or whether it has been removed and if not, why not.

[19] Third, the Debtor and Khalid have not filed any responding materials are provided any books and records or other materials to the Receiver since February 29. They are still making access extremely difficult.

[20] The medical note uploaded to caselines is entitled "Sickness Certificate" and reflects that Mr. Khalid sought medical advice relating to an (unspecified) illness, and that the "Period of Illness" was March 17 to March 24, 2024. There are no further particulars. There is no explanation for the lack of cooperation at any time since the appointment of the Receiver last year until March 17, the start of the period of illness, and certainly not from the date of my last endorsement of February 29 to March 17.

[21] In short, notwithstanding the able submissions of Mr. Manis, Mr. Khalid and the Debtor are simply refusing to cooperate in any meaningful way. Moreover, none of the relief sought is substantive in the sense of finally determining any rights. The Debtor and Mr. Khalid do not challenge the significant indebtedness to the bank.

[22] The relief sought relates to the production of books and records to the Receiver so that the Receiver can sort out the state of affairs. It relates to access to the Receiver can assess and evaluate the condition of the building and the currency and terms of the various alleged tenancies, including 232, as noted above. None of that should be controversial, and the failure of the Debtor and Mr. Khalid to provide the information, books and records is simply causing delay and increased expense.

[23] I pause again to note the obvious: if documents requested do not exist, Mr. Khalid can formally confirm that and the Receiver can take whatever steps may flow from that. But it is not an answer to simply refuse to respond that all.

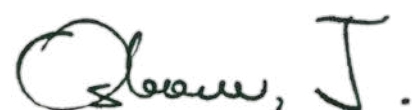
[24] The Interim Statement of Receipts and Disbursements is appropriate and is approved.

[25] The Confidential Appendices to the First Report are sealed until further order of this Court. I am satisfied that the sealing relief protects the integrity of the process during the pendency of this matter and meets the test articulated by the Supreme Court of Canada in *Sierra Club* and refined in *Sherman Estate*.

[26] With respect to the form and content of the order, I have directed counsel for the Receiver to provide to me a revised form of order with two changes. First, hazardous materials should be removed from the property within 48 hours, and not 24 hours. Second, at the request of Mr. Turton for 232, the medical pharmacy in the basement unit will be excepted from that requirement contained in paragraph 7 of the order.

[27] With those two changes, order to go in the form signed by me today which is effective immediately and without the necessity of issuing and entering.

[28] I have implored counsel to see if they cannot resolve some of the issues on consent. The Court expects the cooperation of the debtor and Mr. Khalid with all orders made in this proceeding.

 Owen, J.

Appendix "I"



MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
ONE LONDON PLACE
255 QUEENS AVENUE, SUITE 2010
LONDON, ON N6A 5R8
CANADA

T 519.931.3500
F 519.858.8511

MILLERTHOMSON.COM

April 2, 2024

Delivered via Email
(Deborah.hornbostel@mnp.ca)

Tony Van Klink
Direct Line: 519.931.3509
tvanklink@millerthomson.com

File: 082754.0865

MNP Ltd.
1 Adelaide Street East
Suite 1900
Toronto, ON M5C 2V9

Attention: Deborah Hornbostel, CPA, CA,
CIRP, LIT, CFE

Dear Madam:

Re: 11603531 Canada Inc. (the "Company")

The amount required to payout the loans of the Company with Bank of Montreal as listed on Schedule A as of April 1, 2024 is \$8,354,997.09, the breakdown of which is on Schedule B. The present interest per diem rate is \$2,404.47 which remains in effect until April 30, 2024 subject to any change in the prime rate.

Yours truly,



Tony Van Klink
TVK/jf

c. Leo Chun

SCHEDULE A

(Loans)

1. Overdraft - current account number 2592-1964-841 ("**Overdraft**")
2. Demand loan, non-revolving account number 3712-9058-8003 ("**DLNR No. 1**")
3. Demand loan, non-revolving account number 3712-9058-8004 ("**DLNR No. 2**")



SCHEDULE B

(Payout Amount as of April 1, 2024)

Current Account overdraft (account no. 2592-1964-841)

Principal	\$	312.62
Interest	\$	0.18
Plan and Account Fees	\$	22.50

DLNR (account no. 3712-9058-8003)

Principal	\$	2,583,044.82
Interest	\$	91,342.55

DLNR (account no. 3712-9058-8004)

Principal	\$	4,681,621.09
Interest	\$	165,553.16

Property taxes paid (account no. 3712-9058-8005)

Principal	\$	562,907.55
Interest	\$	4,548.63

Forbearance Fees

Forbearance Fee	\$	7,500.00
Forbearance Extension Fee	\$	15,000.00

Additional Interest (3% of Loan Balance)

Interest	\$	207,192.25
----------	----	------------

Reimbursable Professional costs (Miller Thomson LLP)

- Legal costs up to and including March 31, 2024 \$ 30,951.74
- Accrual for costs to complete¹ \$ 5,000.00

TOTAL	\$	<u>8,354,997.09</u>
-------	----	----------------------------

¹ Estimate only. The actual amount may vary.



Appendix “J”

Our File No. 70184

April 18, 2024

VIA ELECTRONIC MAIL

MNP Ltd.

1 Adelaide Street East, Suite 1900
Toronto, ON M5C 2V9

Attention: Deborah Hornbostel

Re: 11603531 Canada Inc. (the “Debtor”)

You have requested our opinion as to the validity and enforceability of certain security interests granted by the Debtor to and in favour of Bank of Montreal (“BMO”) upon the assets and undertakings of the Debtor.

In forming the opinions expressed below, we have examined the following documentation:

1. Search obtained under the *Personal Property Security Act* (the “PPSA”) dated April 18 2024, with a file currency of April 17, 2024;
2. Corporate Profile Report issued by Innovation, Science, Economic Development Canada – Corporations Canada with respect to the Debtor dated April 4, 2024;
3. Copy of a General Security Agreement as between BMO and the Debtor dated October 3, 2019;
4. Copy of a Letter of Agreement – Amendment and Restatement as between BMO and the Debtor dated March 15, 2022;
5. Copy of a Charge/Mortgage as between BMO and the Debtor registered against 55 Dundas Street East, Toronto, Ontario dated October 17, 2019 registered in the Land Registry Office for Toronto as Instrument No. AT5264337; and
6. Copy of a Notice of Assignment of Rents as between BMO and the Debtor registered against 55 Dundas Street East, Toronto, Ontario dated October 17, 2019 registered in the Land Registry Office for Toronto as Instrument No. AT5264338.

The documents referred to in paragraphs 4-5 will hereinafter be called the “Security Documents” and the documents referred to in paragraphs 3 as the “Other Documents”.

In forming the opinions expressed below, we have:

- (a) assumed that the Security Documents were executed on the dates indicated thereon and were delivered by the Debtor to BMO as security for advances to be made or that were made by BMO to the Debtor;
- (b) assumed that monies were in fact advanced by BMO and that monies are owing by the Debtor to BMO with respect to those advances;
- (c) assumed the genuineness of signatures, the legal capacity of natural persons whose signatures appear on the Security Documents and the Other Documents, the conformity to the original documents of all documents submitted to us as photocopies or facsimiles of such documents;
- (d) assumed that the Security Documents were duly authorized, executed and delivered by the parties thereto and that each of the parties thereto were duly organized and subsisting corporations when the documentation was executed and delivered;
- (e) assumed that the security interests created by the Security Documents, subject to the PPSA, have attached in accordance with Section II of the PPSA;
- (f) relied upon certificates of public officials as to the matters of fact not stated herein to have been assumed or independently verified or established by us;
- (g) assumed the accuracy and currency of the indices and filing systems maintained at the public offices where we have searched or inquired or have caused such searches or inquiries to be conducted, as set forth herein;
- (h) assumed that the Debtor has no legal defence against BMO for, without limitation, absence of legal capacity, fraud by or to the knowledge of BMO, misrepresentation, undue influence or duress;
- (i) value for each of the Security Documents has been given by BMO, as applicable, and each of the Security Documents was delivered by the Debtor free from any subsisting condition(s); and
- (j) confirmed there is an agreement effecting the ranking of the Security Documents as stipulated herein.

With respect to our assumptions referred to above, we would suggest at the very least that MNP Ltd. should satisfy itself that the monies referred to in subparagraph (b) above were actually advanced to the Debtor and that the Debtor is still indebted to BMO.

The opinions set forth in this letter are subject to the following qualifications and limitations:

- (a) we are qualified to render opinions only as to the laws in force in the Province of Ontario and the applicable Federal laws of Canada as currently applied and enforced in Ontario;
- (b) the enforceability of the Security Documents and any other documents held by BMO, or any judgment arising out of or in connection therewith may be limited by bankruptcy, insolvency,

- winding-up, reorganization, limitation of action, moratorium, fraudulent conveyance, assignments and preferences, or other laws affecting creditors' rights generally;
- (c) to the extent that the PPSA applies to the Security Documents;
 - (d) there is no perfected security interest in proceeds that are not identifiable or traceable;
 - (e) this opinion is confined to statements of fact or other matters set forth herein as existing as of the date of this opinion;
 - (f) we express no opinion as to the title of the Debtor to any collateral subject to the security interest of BMO;
 - (g) we express no opinion as to the rank or the priority of BMO's security interests vis-à-vis other creditors of the Debtor;
 - (h) that we have not received or reviewed copies of Resolutions from the Debtor approving the issuance of the Security Documents; and
 - (i) that we have not conducted a search pursuant to section 427 of the *Bank Act*.

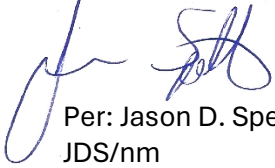
Based upon and subject to the foregoing and subject also to the qualifications set forth herein, we are of the opinion that:

1. The Debtor is a business corporation pursuant to the laws of Canada certified by Innovation, Science, Economic Development Canada - Corporations Canada on April 4, 2024.
2. Our search pursuant to the PPSA confirmed that there are two (2) family registrations affecting the Debtor as set out in the Schedule "A" attached hereto.
3. The Letter of Agreement – Amendment and Restatement dated March 15, 2022 signed by the Debtor in favour of BMO constitutes a legal, valid and binding obligation of the Debtor and is enforceable in accordance with its terms.
4. The General Security Agreement dated October 3, 2019 granted by the Debtor in favour of BMO constitutes a legal, valid and binding obligation of the Debtor and is enforceable in accordance with its terms, subject to the qualifications as hereinbefore indicated and subject to any valid equipment leases, Consignment Agreement and/or purchase money security interests.
5. The Charge/Mortgage and Notice of Assignment of Rents dated October 17, 2019 granted by the Debtor in favour of BMO constitutes a legal, valid and binding obligation of the Debtor and is enforceable in accordance with its terms.

The foregoing opinions are provided solely for your use in your capacity as the court appointed Receiver of the Debtor and may not be used or relied upon by any other person in connection with the receivership or the Debtor or for any other matter or purpose whatsoever absent the express written consent of the undersigned.

Yours truly,

SPETTER ZEITZ KLAIMAN PC



Per: Jason D. Spetter
JDS/nm

Schedule "A"

Reference File No.	Registration No.	Registration Period	Secured Party	Collateral Classifications*	General Collateral Description	Comments
756416421	20191010 1517 1862 9727	5	Bank of Montreal	I, E, A, O, MV		Expiry Date: 10OCT 2024
756416457	20191010 1517 1862 9729	5	Bank of Montreal	A, O	GENERAL ASSIGNMENT OF RENTS OVER THE REAL PROPERTY MUNICIPALLY KNOWN AS 55 DUNDAS STREET EAST, TORONTO, ONTARIO.	

Appendix “K”

**In The Matter Of The Receiverships Of
11603531 Canada Inc.**

Interim & Projected Statement of Receipts & Disbursements

Receipts	As At April 18, 2024	Accruals	Projected Total
Rent Collections	\$ 236,352.70		\$ 236,352.70
HST Collected	30,725.86		30,725.86
Interest Earned	1,940.51		1,940.51
Total Receipts	<u>269,019.07</u>		<u>269,019.07</u>
Disbursements	Notes		
Receiver Fees	A	\$ 155,731.10	155,731.10
Receiver's Counsel's Fees	B	31,971.30	31,971.30
Property Taxes	C	30,345.47	30,345.47
Utilities	D	14,524.19	18,524.19
Repairs, Maintenance and Site Inspections	E	8,328.06	10,328.06
Insurance	F	6,449.99	6,449.99
HST Remitted	G		2,942.39
HST Paid On Disbursements		2,602.16	27,783.47
Mail Redirection		378.50	378.50
Filing Fees		75.30	75.30
		<u>62,703.67</u>	<u>281,587.38</u>
		<u>218,883.71</u>	
 Net Receipts		 <u><u>\$ 206,315.40</u></u>	 <u><u>(\$12,568.31)</u></u>
		<u><u>(\$218,883.71)</u></u>	<u><u>(\$12,568.31)</u></u>

Notes

- A. Actual fees to April 18 plus \$8,000 accrual
- B. Actual fees to April 18 plus \$7,500 accrual
- C. Last payment made was for March 31'24. No further instalments to be paid by Receiver
- D. Estimated final gas,hydro and water
- E. Kone elevator for April to June'24 \$2,327 will not be paid, no further maintenance undertaken but contingency of \$2,000
- F. Insurance premiums of \$1,589.49 due monthly on the 4th will not be paid by the Receiver
- G. Net HST to be remitted by Receiver

Appendix “L”

**ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]**

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

BANK OF MONTREAL

Applicant

– and –

11603531 CANADA INC.

.

Respondents

AFFIDAVIT OF DEBORAH HORNBOSTEL
(Sworn April 19, 2024)

I, Deborah Hornbostel, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY AS FOLLOWS:

1. I am a Senior Vice President and a Licensed Insolvency Trustee with MNP Ltd. (“**MNP**”) the Court-appointed Receiver (the “**Receiver**”) of 11603531 Canada Inc (“**116**”) and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.

2. The Receiver was appointed, without security, of the assets, property and undertaking of 116 by Order of the Court dated November 14, 2023 (the “**Appointment Order**”).

3. In connection with the receivership of 116, the Receiver has extended 227.1 hours of time at its standard hourly rates during the period November 7, 2023 to and including April 18, 2024 resulting in professional fees of \$146,731.10 plus applicable HST of \$19,075.04, as detailed in MNP’s summary of time charges and related detailed time dockets which provide a fair and accurate description of the services provided, appended hereto as **Exhibit “A”** to this my Affidavit.

4. I verily believe that the hourly rates charged for the services performed are fair and reasonable in the circumstances.

5. This affidavit is sworn in support of a motion to, *inter alia*, approve the costs of administration, and taxation of the Receiver’s accounts and for no other or improper purpose.

SWORN before me at the City of)
 Toronto, in the Province of Ontario)
 this 19th day of April, 2024)

Augustine Kwok Digitally signed by: Augustine Kwok
 DN: CN = Augustine Kwok OU = MNP
 Standard Users, 5_Ontario, South
 Central Ontario Region, St.Catherines
 Date: 2024.04.19 13:22:28 -04'00')

 Augustine Kwok, a Commissioner, etc.,
 Province of Ontario for MNP Ltd.
 Expires October 18, 2024

DEBORAH HORNBOSTEL

Attached is Exhibit "A"


Referred to in the

AFFIDAVIT OF DEBORAH HORNBOSTEL

Sworn before me

This 19th day of April, 2024

Augustine
Kwok

 Digitally signed by: Augustine Kwok
DN: CN = Augustine Kwok OU = MNP
Standard Users, 5_Ontario, South
Central Ontario Region, St.Catherines
Date: 2024.04.19 13:22:51 -04'00'

Augustine Kwok, a Commissioner, etc.
Province of Ontario for MNP Ltd.
Expires October 18, 2024

DETAILED TIME CHARGES

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
07-Nov-2023	Deborah Hornbostel	.10	Review and respond to email from T. Van Klink re proceedings update
08-Nov-2023	Deborah Hornbostel	.30	Receipt and review of factum, file documents
10-Nov-2023	Deborah Hornbostel	.50	Review of application record
13-Nov-2023	Deborah Hornbostel	1.70	Email exchange with T. Van Klink re court hearing, email engagement letter to L Chun, detailed review of application record to extract info, planning, email to Akhil
14-Nov-2023	Akhil Kapoor	2.20	1)Glancing through the file notes prepared by Deborah and adding to the list of documents required from the debtor. 2)Receivership order granted by the Court and planning to go to the premises and meet the debtor with Deborah. 3)Meeting the owner of the company, informing him about the receivership order, explaining to him the scope of work and the steps we need, and discussing the detailed requirement list with him including rent roll, lease copies, receivables, payables, maintenance contracts, understanding the tenants in the building, related parties involved, touring the basement and 5 floors of the building, and discussing other issues. 4)Agree on a timeline to receive the documents, keys, and fobs among others. 5) Discussion with Deborah re overview of the file and the events leading up to the filing. 6) Glancing through the folders mainly appraisal report, application record, property tax certificates, old rent roll among others
14-Nov-2023	Deborah Hornbostel	4.80	Discussion with Leo Chun, update from Tony Van Klink re court approval, email to J Spetter to conduct conflict check, review his response, provide info to T. Van Klink re J Spetter for service, review of Colliers appraisal, email to R. Ferguson re consideration of property tax review, prepare notice for tenants, update information list to be provided to debtor, arrange for website creation and posting of documents, attend at premises to meet with Usman Khalid, inspect buliding and units, email update to team re leases, request to L. Chun for bank statements and account balance, memo to file re site meeting
14-Nov-2023	Upasana Nayak	.10	Create website for receivership.
15-Nov-2023	Deborah Hornbostel	.30	Receipt of Endorsed order, arrange for uploading to website, email to Usman Khalid
15-Nov-2023	Upasana Nayak	.50	Uploaded receivership documents to the website. Update the receivership order on website with the stamped copy.
16-Nov-2023	Deborah Hornbostel	.40	Review email from U. Khalid, review OCP website for pharmacist info, send email to Elancheliyan Ambalavar to advise of receivership and future rent payments, request lease
19-Nov-2023	Deborah Hornbostel	.50	Review and respond to email from Usman Khalid, email to Akhil re pick up of keys and fob
20-Nov-2023	Akhil Kapoor	.40	1)Discussion with Deborah re the status of information requested from Usman (Director) and the proposed pick up of the keys today. 2)Discussion with Upasana re the nature of the file, brief overview, the requirement to pick up keys and fobs and confirmation that they are

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			picked up. Also discussed to seek details from the tenants at the basement to provide contact details of their owner.
20-Nov-2023	Upasana Nayak	.90	Review Akhil's notes on his meeting with the building owner. Go to client site to pick up key and key fob. Ask basement tenant (clinic and pharmacy) for owner's contact information.
21-Nov-2023	Akhil Kapoor	.40	1) Discussion with Deborah re status of pending information, confirmation re collection of the keys and fobs, tenant's information, to follow up with the Company's director, Usman, on Thursday for all the information required. 2) Receipt of emails from Deborah to Usman and his responses, glancing through them for an update.
21-Nov-2023	Deborah Hornbostel	.40	Update from Upasana re site visit, email to Leo Chun re bank statements and update, forward email correspondence with Usman to Akhil
22-Nov-2023	Deborah Hornbostel	.40	Receipt of bank statements from Leo Chun, download and instructions to Upasana for analysis thereof, tc with L Whitlin re potential acquisition
23-Nov-2023	Akhil Kapoor	.80	1) Discussion with Deborah regarding nil response from Usman and a couple of calls with their team to understand his availability for a meeting. 2) Emails with Usman and team re pending information. 3) Discussion with Deborah to visit the premises if required. 4) Brief update from Upasana re-rent collections in the bank account and payment of certain expenses 5) Visiting the premises, meeting the lead pharmacist in the basement (tenant), discussing the receivership, sharing contact details and requesting them to connect us with the owner of the pharmacy and 2nd-floor therapy centre.
23-Nov-2023	Deborah Hornbostel	.70	Email to Usman Khalid, instructions to A Kapoor to attend site directly, updates from Akhil re Usman, email from Usman advising he's not available, receipt of insurance policy, quick review and respond to request additional insured and loss payee and provide court order, email to L Chun to request funding for operations
23-Nov-2023	Upasana Nayak	1.00	Prepare excel schedule summarizing data from 14 months of pre-receivership bank statements to determine possible creditors and confirm rent collection.
24-Nov-2023	Deborah Hornbostel	.90	Review bank statements analysis, email to Leo Chun, review and respond to emails from Dr. Ambalavanar, and Scott Turton
27-Nov-2023	Akhil Kapoor	.50	1) Discussion re rent cheques to be collected from Usman from his office, preparation of notice of receivership by Deborah and discussing the unsecured creditor listing. 2) Discussion re latest information received from Usman last weekend after multiple follow ups.
27-Nov-2023	Deborah Hornbostel	1.00	Receipt of email from Usman Khalid, forward to Akhil for summarizing, review email from L Chun re funding, commence drafting of the 245 notice, email from Usman re rent cheques
28-Nov-2023	Akhil Kapoor	.70	1) Discussion with Deborah re lease summary and rent roll to be prepared. 2) Discussions re receipt of information on creditors, their o/s amount and details, cheques to be collected this period among others 3) Discussion re Bailiff notice on behalf of City for outstanding property taxes and to advise Upasana to let them know about receivership, confirm acknowledgement to ensure they don't take any action.

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28-Nov-2023	Akhil Kapoor	1.40	1) Reviewing all the leases, preparing a summary of leases and rent roll for all the floors, noting period of lease, rent free period, annual basic rent, monthly rent, TMI calculations among others, calculating monthly rent proposed to be collected, adding comments such as mistakes in lease agreement, HST inclusion/exclusion, discounts in the lease agreement among others. Sharing final lease summary and rent roll with Deborah. 2) Email comm of Deborah with the tenants and related matters
28-Nov-2023	Deborah Hornbostel	3.60	Review of creditor information from Akhil, instructions to him re bailiff, update and finalize NOR and file with OSB, email to J. Spetter re registration on title status and security opinion, tc with Leo Chun re funding, appraisals, listing proposals, etc, email to medical clinic tenant re rent cheque, review response from his lawyer re leases and building issues, tc with K Avison re listing proposal and site visit, review email from Scott Turton re 2325084 Ontario leases, Notice to Arbitrate and building issues, review various leases, organize files, email to Usman Khalid for further information
28-Nov-2023	Upasana Nayak	.30	Emailed Bailiffs to inform them of the receivership.
29-Nov-2023	Akhil Kapoor	.20	Discussion with Upasana re utility follow up, update from the bailiff on property taxes and acknowledgement of receivership order.
29-Nov-2023	Deborah Hornbostel	.60	Review email from OSB, email receivership order to OSB, review email from Dr Ambalavanar and respond, email instructions to Upasana re site attendance to pick up cheques
29-Nov-2023	Upasana Nayak	.40	Called Shingler Baliffs to inform them of the receivership and emailed Marie the Receivership order as requested. Received a call from John at Shingler Baliffs requesting any payment information whether Trustee has made any plans.
30-Nov-2023	Deborah Hornbostel	.30	Follow up with Mirza Baig re insurance coverage, texts with Upasana during site visit to retrieve rent,
30-Nov-2023	Upasana Nayak	1.20	Pick up rent cheques from building owner and clinic in basement unit. Scan cheques and sent to Deborah for reference. Follow up email sent to BMO for update on status of new account request.
01-Dec-2023	Upasana Nayak	.50	Pick up rent cheques from 55 Dundas street.
04-Dec-2023	Deborah Hornbostel	.20	Review email from R Ferguson re property tax review
05-Dec-2023	Akhil Kapoor	1.00	1) Discussion regarding delay in response from Usman, to update rent roll based on information available and sharing with Deborah for review. 2) Discussion with Upasana re commencing work on making MNP's account with utilities 3) Discussion re nature of tenants and sub-tenants
06-Dec-2023	Akhil Kapoor	1.00	1) Commencing work on preparing the rent roll sheet upon receipt of new information from Usman and comparing actual vs projected numbers (to continue tomorrow) 2) Discussion with Upasana re actual rent cheques received to understand the actual collections
06-Dec-2023	Deborah Hornbostel	.50	Prepare and fax letter to CRA for claims and RT2 a/c,
06-Dec-2023	Upasana Nayak	.10	Reply to Akhil's email with scanned copy of the cheque picked up on Dec 1.

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07-Dec-2023	Akhil Kapoor	2.00	1) Completing the revised rent roll working after considering inputs from Usman (regarding rent roll submitted to Colliers) and discussion with him regarding the discrepancies especially in rent collected for the month of Dec vs rent collection shown to Colliers, rent free period for certain locations among others. 2) Discussion with Usman re common area charges and missing rent for a unit which has been vacated (to continue tomorrow)
07-Dec-2023	Deborah Hornbostel	1.10	Review rent roll analysis by Akhil and discuss with him, instructions to him for clarification with Usman and to Upasana re utility accounts, tc to Mirza Baig re insurance policy, email from Usman re payout, email to A Hall to request info
07-Dec-2023	Upasana Nayak	.30	Request TD to open a new bank account with approved forms from Deborah. Email BMO to say we no longer need a bank account.
08-Dec-2023	Akhil Kapoor	.40	Email communication with Usman re rent roll which needs to be revised as the version submitted to Colliers is no longer accurate. Also advising him that the discounts considered in the leases would be discussed especially the ones related to the leases for related party entities
08-Dec-2023	Deborah Hornbostel	.60	Emails to Mirza insurance broker and Usman, receipt of payout info from T. Vank Klink, provide info to Usman re payout amounts
08-Dec-2023	Upasana Nayak	.70	Set up bank account in ascend. Confirm with Deborah that there is in fact no ascend file created yet. Create ascend file. Prepare deposit vouchers for 3 rent cheques received: calculate HST collected from rent.
11-Dec-2023	Akhil Kapoor	1.50	1) Discussion with Usman re follow up for common area maintenance charges, reviewing the summary shared by him and noting certain queries, also sharing and discussing with Deborah about it 2) Discussion with Deborah and coordinating with Kelly Alison and Colliers for their visit this week to prepare a listing proposal and sharing relevant information of leases with them 3) Discussion with Deborah re final rent roll summary and understanding that rent roll submitted to Colliers was an old version and requires revision 4) Follow up with Usman re backup docs, amounts not adding up to total CAM charges, request for property tax assessment for 2023 among others
11-Dec-2023	Deborah Hornbostel	.20	Email queries and instructions to Akhil re o/s info from Usman, further email exchanges and directions, tc to Tim Bristow for listing proposal, email contact info to Akhil to arrange site visits for Colliers and Avison Young,
12-Dec-2023	Akhil Kapoor	1.80	1) Following up with Usman for computation of common area charges and property tax bill 2) Discussion with Kelly re their proposed visit to the premises at 3.15 pm and related matters 3) Discussion with Upasana about the visit and connecting Kelly and Upasana for the visit 4) Discussion with Usman about stopping Kelly's visit as the tenants would require 2 weeks notice before we could attend to the premises 5) Reviewing the lease for the clause on 2 weeks notice and discussion with Deborah about it 6) Discussion with Kelly about the above matters and next steps 7) Cancelling other visits until a notice is being given to the tenants

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12-Dec-2023	Deborah Hornbostel	1.80	Emails with L. White of CBRE to request listing proposal, update from Akhil re site appointments, email from Usman re photos on site and 2 week notice requirement, discussion with Akhil re same, review lease, email to K Avison and to Usman re the photos, email to J Spetter to advise him of current file status and issues. tc to insurance agent Mirza, receipt of email from him regarding status of policy changes requested, tc from K Avison, review and respond to two further emails from Usman
12-Dec-2023	Upasana Nayak	1.00	Meet with appraisers from Avison Young. We were told to leave without being able to inspect the building by Usman. Briefly emailed Akhil to let him know that the second-floor tenants had the clinic closed. Briefed Akhil about the details about the situation.
13-Dec-2023	Akhil Kapoor	1.00	1) Receipt of revised rent roll from Deborah based on the changes and glancing through it 2) Follow up with Usman and receipt of revised computation from him for the common area charges and requesting him to share back up documents. 3) Brief discussion regarding yesterday's visit by our appraisal and how to manage the visits going forward as tenants require 2 weeks notice
13-Dec-2023	Deborah Hornbostel	3.20	Thorough review of rent roll and leases, update rent roll, respond to email from Lauren White for info, review new email from Usman re Jan 3 access date, email to J Spetter re same, provide rent roll and previous email from Usman re TMI, email to Akhil re various issues to deal with, review property tax info for current amount, prepare rent roll for realtor circulation and send to all three along with property tax and TMI info,
14-Dec-2023	Deborah Hornbostel	.40	Meeting with L. White and CBRE team
18-Dec-2023	Akhil Kapoor	.40	1) Discussion with Deborah re proposed site visits at the premises with the 3 realtors for the listing proposals and text message communication with Tim to set up a time this week 2) Follow up with Usman re back up for common area charges
18-Dec-2023	Deborah Hornbostel	.30	Respond to email from Usman re access and records, respond to email from T. Bristow re site visit
19-Dec-2023	Akhil Kapoor	.10	Discussion with Colliers re site visits to be planned in the 1st week of Jan 2023
19-Dec-2023	Deborah Hornbostel	.30	Review email from Tim Bristow delaying site attendance to full inspection, email from S Keyzer with further attendance date, email to Usman for Jan 9 attendance also, f/u email to J Spetter
21-Dec-2023	Deborah Hornbostel	.30	Tel call from L White of CBRE, receipt and review of proposal, confirm receipt, email to J Spetter re o/s response re tenant issues
22-Dec-2023	Deborah Hornbostel	.90	Review email from J Spetter re concerns wrt the debtor and tenants, review listing proposal from CBRE and email to L White of CBRE, review response, email same to Jason Spetter
27-Dec-2023	Akhil Kapoor	.30	1) Discussion about scheduling visits next week to enable brokers to give us a listing proposal, emails with Usman about the pending matters incl. pending information on TMI expenses, banking and other records, rent cheques for next month among others 2) Discussion re insurance follow ups to ensure MNP is added as a loss payee and additional insured
27-Dec-2023	Deborah Hornbostel	1.50	Review and respond to email from Usman Khalid, email to K Avison re Jan 3 appointment, records and rent, email to Elan to provide electronic

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			payment details etc., email to Upasana for OSB payment, email to K Avison to confirm inspection time, review rent roll issues identified, approve OSB requisition and sign cheque, email exchanges with K Avison, email to J Spetter to update on Usman difficulties, emails to insurance agent Mirza for confirmation update, provide banking info
27-Dec-2023	Upasana Nayak	.20	Prepare cheque requisition and payment for OR fees.
28-Dec-2023	Akhil Kapoor	.10	1) Confirming Kelly from Avison Young about the proposed visit at the building on Jan 3 2) Email comm with Usman and Deborah re follow up on pending information and next week's visit
28-Dec-2023	Deborah Hornbostel	1.40	Review all previous information provided by Usman re utilities and service providers, review his email re Enbridge invoice, email to Upasana and Akhil to f/u on transition of various accounts, email update from Usman re TMI and Jan 3 visit, email to Kelly Avison to confirm appointment time, email with Usman re post-dated tenant cheques for clinic, review and respond to email from J. Spetter, review info re unit 403, update rent roll, review main tenant lease and adjust rent roll
28-Dec-2023	Upasana Nayak	.40	Review email from Deborah about receivership accounts not being set up for various utility and service providers. Emailed Enbridge inquiring about accounts for the building and inform them of the receivership.
29-Dec-2023	Upasana Nayak	.80	Send email to hydro one and kone to inform them about the receivership and update account information such as account name and mailing address. Call and email smart security to update account information and add Akhil in the call list.
02-Jan-2024	Akhil Kapoor	.40	1) Coordinating for tomorrow's meeting at 55 Dundas St and connecting with Kelly and Usman 2) Discussion re collection of rent from all the tenants
02-Jan-2024	Deborah Hornbostel	.40	Emails from Usman and Akhil re site visits, review correspondence from S. Turton, reply, instructions to Akhil for follow up, review email from medical clinic director re rent payments
03-Jan-2024	Akhil Kapoor	1.50	1) Coordinating a meeting with Kelly Avison of Avison Young and meeting him at 55 Dundas for a showing along with the owner, Usman 2) Meeting with Usman to discuss the letter received from the lawyer of the tenants on basement and 2nd floor about the maintenance issues, security and heating issues, improper wheelchair entrance among others 3) Discussion with Usman about the pending invoices/back up of the common area charges and advising him to share them at the earliest. 4) Calling and responding to the lawyer about the above matter and requesting him for a call 5) Discussion with Upasana re informing Enbridge about receivership and ensuring that the account remains active
03-Jan-2024	Upasana Nayak	.60	Request Yujun to prepare receipt voucher for cheques received. Inform Akhil where keys are kept for 55 Dundas St. Check if direct deposit was received. Record interest earned in bank account. Emails with Yujun and Akhil regarding enbridge notice received. Followed up with Enbridge about post-receivership account to be set up.
03-Jan-2024	yujun liu	1.00	prepare for the deposit vouchers for rental income, and record these transactions in ascend

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04-Jan-2024	Upasana Nayak	.10	Check bank account for payment received for Medical clinic rent. Informed team of payment received and requested Yujun to prepare receipt voucher.
04-Jan-2024	yujun liu	.40	prepare for receipt voucher for rent income and record the transaction in ascend
08-Jan-2024	Akhil Kapoor	.80	1) Discussion with Deborah re rent cheques from Usman and basement, 2nd floor tenants 2) Discussion with Usman re scheduled visit tomorrow and requesting to advise us of his availability 3) Emails with Colliers re setting up the meeting at the premises at 1 pm 4) Emails with Deborah, Usman and Usman's lawyer re ensuring the visit tomorrow is facilitated even if Usman is not available to attend 5) Email comm with tenant's lawyer requesting for a call to discuss concerns raised in their letter. 6) Discussion re Usman's email on paying out BMO via funding from alternate sources 7) Discussion with Upasana re Enbridge's notice for the building and advising Upasana to contact the utilities to ensure we are not in default and we have informed everyone about receivership.
08-Jan-2024	Deborah Hornbostel	1.90	Review update from Akhil re site deficiencies raised by clinic, review and sign receipt requisition re rent from med clinic, review bank deposits to date re January rents collected, email to Akhil re o/s rents and tenant complaints, review emails from S. Turton and Colliers re site visit, update from U Nayak re rent collections, email to Cheliyan re o/s second floor rent, review email from Usman re intended BMO payment, email same along with a file update to T Van Kink and Leo Chun, review their responses and send responding email to Usman, review response from H Manis, update from Usman re cancelling tomorrow's appointment with Colliers, email to him and H Manis, review response
08-Jan-2024	Upasana Nayak	.50	Check folder and bank account for receipt vouchers regarding rent cheques/deposits received. Email with Akhil and Yujun for follow up on rent cheques. Emails with enbridge to set up receivership account.
09-Jan-2024	Akhil Kapoor	2.10	1) Coordinating with Colliers team for the visit to 55 Dundas St and setting up the meeting at 1 pm 2) Visiting the premises with Colliers team and going to each floor, discussion regarding the property, sq footage on each floor, nature of occupancy, related and non related party lease, discussion regarding the kind of listing proposal required, their commission and expected values, timelines among others. Also sharing a copy of the leases with them for their review 3) Discussion with the tenant at the basement about the letter received from their legal counsel regarding heating, maintenance, security, wheel chair accessibility, gatekeeper, their timelines, issues to be discussed with the owner among other matters and noting down their comments 4) Discussion with Mr. Paul who is the building superintendent and gate keeper about his timelines, concerns raised by the tenant regarding unauthorized visitors, homeless people entering late evening or early morning among others 5) Email comm with th lawyer to respond to their letter, meeting with the tenant, how the issues have been resolved, gatekeeper timing and related matters 6) discussion with Deborah regarding the above matters and updating her

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09-Jan-2024	Deborah Hornbostel	.30	Review draft email from A Kapoor to S Turton re site issues, review email from T Bristow and tc with him re leases, review A Kapoor's email response to him re site visit and leases
09-Jan-2024	Upasana Nayak	.30	Call and email received from Shingler Bailiffs to follow up on property tax arrears.
09-Jan-2024	yujun liu	.50	deposited cheques - rental in TD
10-Jan-2024	Deborah Hornbostel	.50	Emails with T Bristow, provide court order to him, review of new hydro bill, request payment, approve deposit voucher and cheque requisition, sign cheque
10-Jan-2024	Upasana Nayak	.60	Email from lawyer about building security and accessibility solutions. Prepare payment for Toronto Hydro, save mail received in folder, check bank account, prepare deposit voucher.
11-Jan-2024	Akhil Kapoor	.50	1)Discussion with Deborah re pending information from Usman regarding construction updates (being carried out on 5th floor) and their approvals, pending information on common area charges among others. 2)Receipt of listing proposal from Kelly Avison and glancing through it and their comments regarding the related party leases, construction, placement of items on the 5th floor (to be read in detail later)
11-Jan-2024	Deborah Hornbostel	.50	Quick review of listing proposal and email from K Avison, query to A Kapoor re renovations being undertaken
11-Jan-2024	Upasana Nayak	.10	Record deposit received in ascend and mail cheque to Toronto Hydro.
12-Jan-2024	Akhil Kapoor	.30	1)Discussion with Upasana re notice from Bailiff for o/s property taxes of more than \$500k and requested Deborah to call them. 2)Emails during the day regarding the listing proposal requested from Colliers. 3)Email from Deborah reminding Usman to share information on repairs conducted and the common area maintenance charges.
12-Jan-2024	Deborah Hornbostel	3.20	Thorough review of Avison Young and CBRE listing proposals, create summary thereof, email to Usman to f/u on o/s TMI information and to request architectural drawings or updated BOMA report, tc with Chris Bell of A.O. Shingler re property tax arrears, provide leases to T Bristow @ Colliers and L White @ CBRE and request comments
12-Jan-2024	Upasana Nayak	.30	Call from Shingler Bailiff. Email with Akhil and Deborah about contacting Shingler bailiff.
15-Jan-2024	Deborah Hornbostel	.80	Voicemail from Chris Luxton of Colliers, return call, review email from L White of CBRE re updated comments on leases, tel call and emails from Usman re payout procedure, Trilend call, BOMA measurements
16-Jan-2024	Akhil Kapoor	.30	Discussion with Deborah regarding the units in the premises, rent roll, listing proposal received and related matters
16-Jan-2024	Deborah Hornbostel	2.80	Tel call from Victor, Donald and Nick of Trilend, tc from Usman re same and lease and insurance concerns, check on bank status and update Usman re commencement of insurance premium withdrawals on Jan 12, discussion with A Kapoor re unit vacancy and sq footage confirmation, review proposal from Colliers, email to them re various queries, tc from C Luxton to discuss issues, receipt and review of amended proposal, review and summarize all proposals, email to J Spetter
17-Jan-2024	Deborah Hornbostel	.20	Email exchange with J Spetter, review email exchange between him and H Manis

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22-Jan-2024	Akhil Kapoor	.10	Discussion with Deborah re proposed visit on Jan 24, pending information from Usman regarding floor plan and TMI charges
22-Jan-2024	Deborah Hornbostel	1.20	Email to Usman Kahlid re o/s TMI info, BOMA report and sub-leases, review response, email to Leo Chun and tc with him to discuss sales process, email to J Spetter, further exchanges with J Spetter
23-Jan-2024	Akhil Kapoor	.10	Email comm with Usman re TMI information shared by him (to be reviewed tomorrow)
23-Jan-2024	Deborah Hornbostel	1.00	Email exchanges with J Spetter re sales process, email to L Chun to provide updated property tax statement and recommendation re same and appraisal, review response re appraisal, update to J Spetter, review Colliers listing proposal and send email to L White for certain queiries
23-Jan-2024	Upasana Nayak	.10	Email toronto-hydro to waive deposit fee on account.
24-Jan-2024	Akhil Kapoor	1.20	1) Discussion with Deborah re missing information in Usman's email about TMI, inspection reports among others 2) Setting up a time and having a detailed call with Usman to discuss the missing information, explaining him how we need the information for TMI , for inspection reports among others (to share a format tomorrow) 3) Discussion with Upasana re email to be sent to the City and to do mail redirection 4) Email comm with listing agents to discuss an update
24-Jan-2024	Deborah Hornbostel	2.30	Review material from Usman re TMI, respond via email re inadequacies, fwd exchange to J Spetter, review response, emails with Akhil re f/u matters with creditors and building issues, email response from L White re listing proposal amendments, emails to J Spetter and L Chun re redemption fee rate, approve Enbridge cheque requisition, respond to L White's email fro clarification on redemption fee, further exchanges and updates to L Chun and J Spetter, review and respond to email from C Luxton of Colliers
24-Jan-2024	Upasana Nayak	.60	Review receivership order to point out wording regarding the expectation of continuation of services to Toronto Hydro who is expecing a deposit fee to be paid for an account. Review email from Deborah and Akhil regarding setting up receivership accounts. Email city of Toronto to inform them of the Receivership and inquire about accounts pertaining to the property. Updated tracker regarding correspondence.
25-Jan-2024	Akhil Kapoor	1.00	1) Email comm with Usman regarding the excel sheet in which we need TMI data, the columnar infomation re expenses, amount, mode of payment, proof of payment and other information, also discussed about the information required for fire, water bills, BOMA report for sq footage, TSSA reports among others 2) Discussion with Upasana re mail redirection and completing the request 3) Discussion with Deborah during the day about the updates 4) Discussion re listing proposals received from the 3 brokers and requirement of an appraisal of the property
25-Jan-2024	Deborah Hornbostel	1.00	Review email from J Spetter re redemption fee, update from Akhil re mail redirection and Usman, tc from Chris Bell of Shingler bailiffs, vm to George Charocopos of City of Toronto re property taxes, review and approve disbursements, review emails from Colliers re listing proposal

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			and similar properties, search for appraiser, email to Matt Picken of JLL, email to L White to request OREA form
25-Jan-2024	Upasana Nayak	.60	Email Kone to adjust invoice to reflect receivership date. Put in mail redirection request with Canada Post. Prepapre requisition and payment to reimburse Akhil for mail redirection expense.
26-Jan-2024	Akhil Kapoor	1.00	1) Email with Kone Elevator re their contract and receipt of post receivership invoices 2) Email with Usman reminding him about to dos, data to be provided, mail collection among others 3) Follow ups during the day and receipt of certain information from Usman incl. TSSA report, TMI sheet, issues in calculating TMI among others
26-Jan-2024	Deborah Hornbostel	.80	Email from L White, tc with L Chun, emails with Akhil re Usman, tc with J Iszo potential purchaser, email exchange with D Black of JLL re appraisal, research for other appraisers
26-Jan-2024	Upasana Nayak	.10	Review email regarding mail forwarding and mail to be picked up.
29-Jan-2024	Akhil Kapoor	1.20	1) Review of information shared by Usman on TMI computation and their back up, TSSA report, confirmation with Usman that deficiencies noted in TSSA have been rectified 2) Discussion with Deborah regarding the above. 3) Sending an email to Usman to enquire about TMI, TSSA, BOMA, Kone elevator (advising Upasana to check with Kone for agreement and invoice) and others
29-Jan-2024	Deborah Hornbostel	.20	Review and respond to emails from Akhil re TSSA report, respond to query from A Waheed re potential purchaser
29-Jan-2024	Upasana Nayak	.40	Request Kone for copy of agreement with 11603531 Canada Inc. Prepare cheque requisition for payment to Kone (2 invoices - Nov 14, 2023 to March, 2024).
31-Jan-2024	Akhil Kapoor	.20	1) Discussion re collection of cheques tomorrow (Rent for Feb 2024) 2) Discussion with Deborah re status of file, appraisal to be obtained and next steps
31-Jan-2024	Deborah Hornbostel	2.70	Email to R Jones for appraisal quote, review response, email to Claudio of Cross-Town for quote, f/u with D Black of JLL for quote, tc from Phil Tyes of JLL to discuss timing and issues, commence review of and changes to OREA listing forms from CBRE and draft additional schedules related to them, email from Usman re rent, related exchange with Akhil re rent pick-ups, tc from Usman, update Akhil, emails to J Spetter re draft listing documents
01-Feb-2024	Deborah Hornbostel	.20	Respond to emails from L White and C. Polito
02-Feb-2024	Akhil Kapoor	1.70	1) Discussion regarding collection of rent and follow up with the tenants for direct deposit, coordination for cheque drop offs, discussions with Deborah during the day. 2) Discussions with Deborah re next steps on the file re listing proposals, appraisal, among others 3) Discussion re certain suppliers and their payments 4) Discussion with Deborah re burning smell in the washroom of basement and 2nd floor, speaking with Rocco to understand if a building inspector can visit now, the nature of problem, to verify smoke detectors and to call 911 in case of emergency, also discussed with Usman regarding the problem, repair of exhaust fan which was cause of the problem, call with clinic and pharmacy at the basement to explain them that the burning smell will go

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			away but discussed other concerns- drainage, hole in the ceiling among others and agreeing to discuss these concerns next week 5) Discussion with Deborah to update regarding the above, sharing pictures of the repairs, to update her about discussions with clinic, and to obtain contact information of building inspection companies (to discuss and obtain the quote next week)
02-Feb-2024	Deborah Hornbostel	.80	Emails and instructions to Akhil re rents, review and respond to email from P Chan of CW, tc from Maria, clinic manager, tc with Akhil re smoke issue reported, provide instructions, update from him re resolution of the problem, provide him with 3 building inspection companies to obtain quotes, vm to George Charocopos at City of Toronto
05-Feb-2024	Akhil Kapoor	.40	1) Discussion with the tenant of basement and 2nd floor regarding collection of rent for Feb, their response about vacating 2nd floor and continuing with basement and related matters 2) Discussion with the clinic re tentative meeting tomorrow and fixing a time to discuss potential issues 3) Brief discussion re mail redirection and its status, queries from Canada Post 4) Discussion re payment of rent by the tenants with Upasana 5) Discussion with clinic to schedule an appointment this week to discuss the problems faced by them
05-Feb-2024	Deborah Hornbostel	1.60	Follow up with J Spetter re review of draft listing documents, tc from T Bristow re Colliers proposal, f/u on rent collection from clinic, update from Akhil re their wish to terminate tenancy, review email from U Nayak re Cda Post redirection, review landlord notification per master lease provisions and respond to U Nayak re Cda Post, review and approve deposit vouchers, review and approve disbursements, email from J Spetter re draft listing documents, email to provide draft documents to L White for review and finalization
05-Feb-2024	Upasana Nayak	.60	Call with Canada Post regarding mail redirection. Prepared cheque requisitions.
06-Feb-2024	Akhil Kapoor	2.50	1) Dealing with the 3 building assessment companies, contacting them via email and call, sharing the information about the property with them as required, calls with them to discuss the proposals required from them and related matters 2) Discussion with Deborah regarding the status of the file, rent collections from all except 2nd floor 3) Email comm with one of the tenants to set up a meeting this week to discuss terminating the lease for the 2nd floor. 4) Emails re insurance update (Deborah and insurance agent)
06-Feb-2024	Chahna Nathwani	.50	Prepared deposit slip, went to TD to deposit, issue faced due to payee name of the cheque, email exchanges with Maddie on account updating
06-Feb-2024	Deborah Hornbostel	2.20	Review and approve receipt voucher, update from A Kapoor re tenant's request for second floor lease termination, review comments from L White re MLS listing rule implications to requested changes, email to her and tc to discuss, tc from C Luxton of Colliers requesting update, respond to email from P.Tyas of JLL re appraisal quote, tc from George Charocopos of City of Toronto re property tax and water account, email from him, request 2024 property tax statement, email from L White with info list for sales process, email to Usman for BOMA report and date for suite access, email to Mizra re Travelers insurance confirmation and

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			query withdrawal amounts taken, request Ascend postings for insurance, review response from Mizra and updated payment schedule
06-Feb-2024	Upasana Nayak	.70	Prepare deposit voucher and cheque requisition. Attend to mail received. Post insurance paid in ascned.
07-Feb-2024	Deborah Hornbostel	1.20	Review and execution of listing documents from CBRE, review, amend and execute engagement letter with JLL for appraisal, provide information to CBRE for data room
08-Feb-2024	Akhil Kapoor	1.50	1) Coordinating with the 3 building inspection companies, receiving their proposals and quotes, reviewing them, noting down their service offerings and prices and sharing them with Deborah along with comments 2) Discussion with Deborah regarding the above and understanding the best option available. Also discussed about mail redirection and elevator agreement and their status 3) Email with Usman to enquire about access to units for building inspection, appraisal, realtor visits etc and to enquire about any mails received. Multiple emails with him. 4) Emails regarding selecting CBRE for listing proposal and communication with other 2 listing agents
08-Feb-2024	Deborah Hornbostel	2.90	Respond to email from L White re signage on building. emails to Colliers and Avison Young re listing proposal submissions, respond to their reply emails, tc from P Chan re appraisal, review new DocuSign docs re mls and execute, receipt and filing of complete listing package, provide info to Phil Tyas for appraisal and instructions re site inspection, receipt and review of Building Conditions proposals from CDW, Fisher and Pinchin, instructions to A Kapoor re same and to arrange access to all units for the realtor, appraiser and building inspector, email to him re Kone maintenance contract, review email from Usman indicating he's in Dubai until Feb 20, respond to request alternate contact
08-Feb-2024	Upasana Nayak	.40	Email with Kone to obtain maintenance agreement. Confirm mail forwarding service.
09-Feb-2024	Akhil Kapoor	1.00	1) Discussion with Deborah regarding status of rent deposit by 2nd floor tenant, their notice of termination of the lease, people who can assist us with the visits of realtor, appraisal and building assessment in the absence of Usman and related matters 2) Deborah's email with the lawyer to understand the notice requirements in case of cancellation of the lease by the 2nd floor tenant 3) Communicating with the clinic for the meeting next week 4) Receipt of Kone agreement and glancing through it.
09-Feb-2024	Deborah Hornbostel	1.30	Email with A Kapoor re alternate contacts for premises, review his email correspondence with 2nd floor tenant and all related lease documentation, email to J Spetter to summarize the situation and seek advice
09-Feb-2024	Upasana Nayak	.60	Complete mail forwarding registration. Attend to Kone agreement received.
12-Feb-2024	Akhil Kapoor	.30	1) Emails with Deborah and our legal counsel re problems with the owner regarding obtaining access to the premises and trying to find a solution, court date to compel cooperation. Related discussions with Deborah.

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12-Feb-2024	Deborah Hornbostel	.80	Review and respond to email from T Taggart of CBRE re access, email to J Spetter summarizing access issues with Usman, review response and approve course of action, review his email exchanges with H Manis, email from Usman, respond and instruct J Spetter to proceed with court motion for unfettered access, email from P Tyas of JLL re appraisal timing,
13-Feb-2024	Akhil Kapoor	1.20	Discussion with Deborah regarding the 3 proposals received for building condition assessment, finalization of one of them, reviewing and finalizing the scope of work (Basic + Fire Systems). Also discussed access to be obtained on Feb 22 and 23 for visit to the premises with respect to appraiser, realtor and building inspection visits. Discussion with CDW to advise them that we have selected them for the inspection and to check their availability for Feb 23.
13-Feb-2024	Deborah Hornbostel	1.80	Review and respond to email from Usman re access, review responses from Usman and H Manis, discussion with J Spetter, emails and tcs with appraiser J Tyas and realtor T Taggart to coordinate site times, email to Akhil to arrange CDW attendance for the 23rd, update to J Spetter to respond to Usman/Manis, further email exchanges re 2 week notice requirement, review Kone contract with Goldstock, query to A Kapoor and provide instructions re CDW engagement and clinic tenant notice re appraiser, realtor and CDW, confirm appointment with appraiser and realtor for next week, review proposed signage on the building by CBRE and respond
14-Feb-2024	Akhil Kapoor	1.20	1) Continued discussions from yesterday regarding scheduling visits, advising CDW about the scope of work, timeline 7 days from site visit, scheduled visit on Friday, Feb 23 at 10 am, filing their form and sharing with Deborah for signatures. 2) Emails with Deborah during the day re various matters including Kone agreement, their invoices
14-Feb-2024	Deborah Hornbostel	.30	Email to J Spetter re lack of response from Usman and to f/u on wellness clinic tenant issue, update from A Kapoor re CDW and tenant status
15-Feb-2024	Akhil Kapoor	.50	1) Discussion with Deborah re signed agreement for CDW for building inspection, proposed visits, providing information to our legal counsel as required, emails regarding extension among others
15-Feb-2024	Deborah Hornbostel	1.20	Email to J Spetter to update him on the 2nd floor tenant problem, further related emails with him on the issue, review and approve hydro payment and revised Kone invoice, review and approve CDW site inspection engagement letter, tc with J Spetter re tenant issue, instructions to A Kapoor to provide contact info re tenant
15-Feb-2024	yujun liu	.50	prepare cheque requisition for a utility provider and record the transaction in ascend
16-Feb-2024	Akhil Kapoor	.50	1) Discussion regarding CDW's visit next week and their agreement, to coordinate for payment (50% on Feb 23 and 50% on receipt of report)
20-Feb-2024	Akhil Kapoor	.30	1) Email with medical clinic (tenant at basement) to advise them about upcoming visits of appraisal, building inspector and listing proposal agent 2) Discussion with Upasana re payment to be made to CDW (50% advance) and to update them about Friday's visit (Feb 23)

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20-Feb-2024	Deborah Hornbostel	.50	Review and respond to email from T Taggart re site contact info for this week, review and approve disbursement re CDW and confirm arrangements for payment
20-Feb-2024	Upasana Nayak	.60	Prepare cheque requisition and payment.
21-Feb-2024	Akhil Kapoor	.10	1) Follow up with Usman regarding confirmation of site visits on Feb 22 and Feb 23
22-Feb-2024	Akhil Kapoor	1.00	1) Multiple emails with clinic and pharmacy to remind them about today and tomorrow's visits and connecting U. Nayak with them 2) Discussions with Usman during the day regarding visits today, access problems and booking another visit for Mar 1 for the listing agent. Also discussed scheduling meeting next week to discuss their plan of action to repay the debt, expenses incurred by him among others. Discussion with D. Hornbostel about the status and next steps. 3) Discussion regarding motion in court to gain access to the premises as Usman is not giving immediate access and requires 2 weeks notice. Also discussed pending matter with the tenant of basement/2nd floor.
22-Feb-2024	Deborah Hornbostel	1.70	Email exchange with J Spetter re tenant and court motion, email from T Taggart re issues onsite today with Usman, tcs with him to discuss, tc with Usman to discuss access, tenant issues, repayment and marketing etc, email to J Spetter to advise of today's problems, discussion with A Kapoor to ensure access tomorrow for 2nd floor and confirm timing with Usman re building inspection
23-Feb-2024	Akhil Kapoor	1.50	1) Coordinating CDW Engineer's visit to the premises with Upasana, connecting with Usman and others to ensure access to all the floors, roof top and basement is obtained. 2) Discussion with D. Hornbostel regarding City's notice on garbage and understanding the concerns raised, speaking with Usman about them. Advised Upasana to contact them to resolve it as the garbage is being picked up once a week 3) Discussion regarding concerns raised related to security, heat issues, building entrance (for disabled) among others 4) Email comm with the tenant of second floor to pay the rent as they are still occupying the premises
23-Feb-2024	Deborah Hornbostel	2.20	Tel and texts from Usman re presence of second floor tenant today, update J Spetter, emails with L Chun re property taxes, email to George Charocopos re for payment instructions and mail redirection, confirm payment amount with L Chun, set up online payment for March 1st instalment, further emails with J Spetter to provide emails from tenant and amend draft notice to S Turton, review responses, receipt of notice from City of Toronto re garbage complaint, fwd to Akhil with instructions for action, review emails from L Chun and T Van Klink re BMO property tax payment issues, updates from Akhil and Usman re garbage issue, email previous RT2 request to C Nathwani for f/u
23-Feb-2024	Upasana Nayak	2.30	Facilitate site visit of building and health and safety inspectors.
25-Feb-2024	Lisa Visconti	.20	BANK REC
26-Feb-2024	Akhil Kapoor	.30	1) Discussion with CDW Engineering about their visit on Feb 23, estimated timeline to receive the report and next steps 2) Discussion

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			with Cloudcare clinic regarding the issues and proposed meeting tomorrow
26-Feb-2024	Deborah Hornbostel	1.10	Prepare summary of history/issues with Usman Khalid for upcoming motion scheduling
27-Feb-2024	Akhil Kapoor	2.00	Call with Cloud care clinic regarding second operations and when they vacating them, issues raised by the pharmacy when building inspection team visited the premises on Feb 23; discussion regarding Enbridge's invoices, the account number and their payment; discussion with D. Hornbostel regarding CBRE queries and working on them re lease queries, TMI computation among others
27-Feb-2024	Deborah Hornbostel	3.30	Review and edit draft Aide Memoire and email to J Spetter with further info, review email from T Taggart, forward to A Kapoor for investigation and response, review new Enbridge bill and forward to A Kapoor for confirmaiton re unit, email to J Spetter re 2nd floor tenant status, review his exchanges with H Manis re upcoming scheduling motion, seek confirmation from L Chun re BMO payment of arrears of property taxes, forward scheduled payment confirmation to U Nayak for trust a/c recording, draft NDA and APS and send to J Spetter for review, review draft CIM and respond to T Taggart re same
27-Feb-2024	Upasana Nayak	.40	Prepared cheque requisition and deposit voucher.
28-Feb-2024	Akhil Kapoor	.60	Discussion with U. Nayak re garbage notice from the City, remarks from them about waste lying outside and advising Usman to click pictures confirming pick up of such garbage; enquiring about cleaning company, status of TMI among others
28-Feb-2024	Deborah Hornbostel	1.50	Review email from J Spetter re templates and from T Van Klink re leases, eview draft response from Akhil re lease discrepancy review for CBRE, review leases and rent rolls sent by L Chun, isolate architectural drawings, compare rent roll 2020 to November 2019 lease and email to J Spetter re concerns, provide NDA and APS templates to CBRE
28-Feb-2024	Upasana Nayak	.40	Prepare cheque requisition. Called city of Toronto, waste management department to understand next steps regarding notice received.
29-Feb-2024	Akhil Kapoor	1.40	Brief review of CIM prepared by CBRE, particularly page 10- lease terms and noting down comments/missing items on lease for the basement and 5 units; reminding Usman to handover the cheques tomorrow and also updating him about CBRE's visit tomorrow; discussion with Deborah about the lease information as it is contradictory across the lease document.
29-Feb-2024	Deborah Hornbostel	3.20	Review draft CIM and provide comments to CBRE for amendments, provide copy of Receivership Order for data room, tc with E Devilles of CRA, vm back from him re getting officer assigned, review update from J Spetter re court hearing result, review emails from A Kapoor re CIM, review leases and info summarized by Colliers and A Kapoor's review, email to Usman to provide proof of deposits and insurance requirements and confirm lease term discrepancies, email to J Spetter to seek report clarification, fwd him the email to Usman, fwd counsel emails to A Kapoor re 2nd floor tenant

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01-Mar-2024	Akhil Kapoor	.60	Discussion with tenant (basement and second floor)'s legal counsel regarding unpaid rent for the 2nd floor, updating our legal counsel about it for further action; follow up for other rent payments; brief discussion with D. Hornbostel about the lease information to be shown on the CIM, overall sq feet, number of units among others
01-Mar-2024	Deborah Hornbostel	3.00	Report drafting for court
04-Mar-2024	Akhil Kapoor	.60	Emails with all tenants to follow up for collection of rent and ensuring all rents (except 2nd floor which is under litigation) are collected today and deposited in the account; emails regarding 2nd floor litigation and details required by their lawyer on rent reconciliation (to continue tomorrow), other calls and emails on the operational matters.
04-Mar-2024	Deborah Hornbostel	.30	Review emails from J Spetter, S Turton and A Kapoor, receipt of updated property tax statement from G. Charocopos
05-Mar-2024	Akhil Kapoor	.20	Discussion re receipt of building assessment report, glancing through it, their o/s invoice; collection and deposit of rent among others
05-Mar-2024	Chahna Nathwani	.20	Teams call with A. Kapoor on rent cheques, updated file with wire receipt of basement rent, sent confirmation email to sender
05-Mar-2024	Deborah Hornbostel	.40	Review and approve deposit vouchers, review email from Gary Grant re his son's lawsuit, update email from T Taggart re launch date delay to next week
05-Mar-2024	yujun liu	.60	prepare two cheque vouchers for the rental income and record these entries in ascend. deposit the cheques in trust account
06-Mar-2024	Akhil Kapoor	.10	Email communication with our legal counsel regarding a proposed court action against the company regarding previous owner's alleged involvement in non-delivery of certain products for which money was received by them.
06-Mar-2024	Deborah Hornbostel	.30	Review email from J Spetter re G Grant's email, respond re debtor's involvement in precious metals, review A Kapoors response, text from Usman
07-Mar-2024	Akhil Kapoor	.20	Discussion with D. Hornbostel regarding receipt of building assessment report, collection of rent for the basement and other matters.
07-Mar-2024	Deborah Hornbostel	.20	Texts with Usman, email with A Kapoor re rent status
08-Mar-2024	Akhil Kapoor	.50	Glancing through the building assessment report prepared by CDW Engineering
11-Mar-2024	Akhil Kapoor	.60	Discussion with D. Hornbostel regarding the status of gas, hydro and property tax invoices, glancing through previous email communication and following up to obtain information on historical invoices for TMI and new invoices for payment, aligning A. Pierre to work on this matter.
11-Mar-2024	Deborah Hornbostel	1.20	Download and review bank statements from L Chun, email to Akhil and Chahna re status of utility summaries for 2023, email to L Chun, review revised MLS listing documents and CIM, provide comments to T Taggart, execute MLS revisions via docusign, tc from Usman re refinancing, receipt and review of Commitment letter, circulate to counsel and BMO and request payout statement, email with Usman
12-Mar-2024	Akhil Kapoor	.40	Discussion with D. Hornbostel regarding CDW's building assessment report, certain violations noted and to act on them, also noted to write to the tenants for certain matters; email communication with Enbridge

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			re set up of new account, requesting 2023 invoices; discussion with A. Pierre to contact utilities for pending information.
12-Mar-2024	Chahna Nathwani	.30	Prepared payment for CDW Engineering
12-Mar-2024	Deborah Hornbostel	2.80	Review email from Gary Grant to T Taggart, tc to G Grant, update email to J Spetter and T Van Klink, review draft CDW building conditions report, email to A Kapoor for action re fire safety, review and approve disbursement, further email from G Grant
13-Mar-2024	Akhil Kapoor	1.20	Call with Dr. Frank who is practicing on the 2nd floor about his concerns that the tenant did not inform him about vacating the premises on Mar 15, back and forth calls and emails with him, checking with the tenant and tenant's legal counsel about this matter and seeking their opinion on this matter, discussion with D. Hornbostel about it; glancing through the building condition assessment report (relevant sections), noting down violation areas of basement and 2nd floor and advising the tenants to clear the violations; discussion with CDW Engineering to advise about a fire consultant who can assist us to remedy the default.
13-Mar-2024	Deborah Hornbostel	.80	Return tc to Larry Sherman of Benson Capital, review email from A Kapoor re 2nd floor doctor and space, discuss and provide instructions to A Kapoor re that issue and fire safety concerns and notices to tenants, review his email to tenant
14-Mar-2024	Akhil Kapoor	1.00	Discussion with Dr. Frank regarding time required to vacate the premises, emails with the tenant and D. Hornbostel on this matter and Receiver's position shared with the tenant; discussion re rent for the 2nd floor and current status.
14-Mar-2024	Chahna Nathwani	.40	Updated and processed bank recs for updating payments/deposits
14-Mar-2024	Deborah Hornbostel	2.70	Email to P Tyres of JLL to advise of rent roll change, review response, receipt of draft appraisal, texts from Usman, email to J Spetter for fees status and estimate to complete, review email from A Kapoor, respond to email exchange from S Fishman and then with S Marom, review email from T Gaudet of CDW and provide instructions to A Kapoor, update to J Spetter, reconcile bank account, update to A Kapoor re rent received from 2nd floor tenant, provide entry info for posting, calculate estimate of discharge amount for Usman and respond via text, review BMO payout statement and email it to U Khalid along with explanation re rents and professional fee coverage and tenant status, update from A Kapoor re second floor doctor's proposal, provide instructions, respond to text from Usman re copy of WIP request, review draft appraisal
15-Mar-2024	Akhil Kapoor	3.00	Email communication with Cheliyan (the 2nd floor tenant) and Dr. Frank (sub tenant) regarding the status of vacating the property, rejecting the proposal for reduced rent, unpaid rent for March and related matters; email communication with Usman regarding non availability of Fire Safety Plan, daily and monthly testing reports, missing keys, sharing an estimate of costs involved, noting down deficiencies from CDW Engineering's report for each floor (1st, 3rd, 4th and 5th) and instructed Usman to rectify them immediately; reviewing appraisal report shared by JLL, especially the income approach, assumptions and valuation and noting down comments; brief discussion re setting up electronic billing

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			with Toronto Hydro for ease of access to the invoices and other information; email comm with Usman about the above and discussion with D. Hornbostel about it (to ask for signed report from CDW if there is no response); email comm with Cheliyan's legal counsel re information required by them for additional rent and enquiring with him about the 2nd floor vacancy.
17-Mar-2024	Deborah Hornbostel	3.20	Court report drafting
18-Mar-2024	Akhil Kapoor	1.10	Email communications with D. Hornbostel re certain matters incl. the building reports, appraisal, status of 2nd floor premises among others; follow up with Usman regarding the deficiencies noted in the building assessment report, fire safety plan and reminding him to remove gas cylinders and other hazardous materials; follow up with the second floor tenants to update us about the status of vacating the premises and payment of March rent; also followed with 2nd floor tenant's legal counsel about the above and other matters
18-Mar-2024	Astrid St-Pierre	.60	email and phone call with Hydro to obtain all 2023 invoices
18-Mar-2024	Deborah Hornbostel	3.50	Emails with A Kapoor re site issues, Usman's response and TMI back up status, obtain info from BMO to address Usman's concerns wrt payout statement, report drafting, circulate to J Spetter for review, review A Kapoor's comments on draft appraisal, provide draft appraisal to J Spetter for review, prepare SRD, review G Grant's email requesting lifting of the stay, email to J Spetter on it
19-Mar-2024	Akhil Kapoor	1.60	1) Follow up with City of Toronto for an update on our request and water bills for 2023; email comm with Cheliyan regarding unpaid rent and vacating the premises by end of month, confirmation emails on rent payment, emails with Usman regarding keys for all units and fire safety plan and timelines to receive them, request for site visit on Thursday among others; discussion with D. Hornbostel re various matters noted above, site visit to be conducted on Friday and discussion with CBRE regarding it; discussion with A. Pierre and advising her to call the fire safety companies, explaining the deficiencies and obtaining a quote from them to rectify them; arranging signed CDW engineering report as Usman failed to provide any responses to our emails on deficiencies; follow up for water invoices of 2023.
19-Mar-2024	Deborah Hornbostel	1.70	Review A Kapoor's emails with 2nd floor tenants and counsel and request from T Taggart for viewings, discussion with A Kapoor on these matters, emails from J Spetter and to L Chun and T Van Klink, email from H Manis, respond to J Spetter re Manis email, receipt of email between A Kapoor and U Khalid denying access, update J Spetter re same, review email from L Chun, email to T Taggart re viewing options and 2nd floor tenant status, update from A Kapoor re Usman's turnover of keys and fire safety plan, email exchanges with T Van Klink, forward his comments to J Spetter for discussion, email to P Tyas to finalize appraisal, email with T Taggart re tenant status, vm to J Spetter
20-Mar-2024	Akhil Kapoor	.30	Email comm with Usman re follow up for keys to all units, fire safety plan among others; discussion with Astrid re status of request submitted with fire equipment company to rectify the deficiencies

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20-Mar-2024	Chahna Nathwani	.10	Recorded wire of rent payment
20-Mar-2024	Deborah Hornbostel	3.70	Tel call with J Spetter re upcoming court motion, review Collier's appraisal, email to T Van Klink, respond to Usman re 2nd floor tenant onsite, tel call from L Sherman, email to J Spetter, email to J Spetter re BMO security opinion, review J Henechowicz's report comments, verify receipt of rent and update SRD, report amendments, finalize and provide to J Spetter along with all appendices, review his email to H Manis, review emails between counsel, review draft order and comment to J Spetter re required changes
20-Mar-2024	Jerry Henechowicz	1.00	Second partner review of first report and forwarding same to D.H. for completion
21-Mar-2024	Deborah Hornbostel	.60	Review email exchanges between counsels re upcoming motion, email exchanges and discussion with J Spetter re same and G Grant request for stay lift, review 105 lease for service address, review draft Otrder, comments thereon, provide info to J Spetter re tenant addresses
22-Mar-2024	Akhil Kapoor	1.70	Visiting the premises to discuss the fire safety concerns raised for the basement and reviewing the measures taken by pharmacy to rectify them; meeting the real estate agent, T. Taggart from CBRE at the premises along with a prospective purchaser, answered their queries and reviewed basement and 2nd floor and discussed matters related to the property; emails with Usman to follow up for Fire safety plan and the keys for janitor room and the fire safety box and coordinating receipt of them at our office; discussion with the team regarding the sale process, information received/to be received from Usman and next steps; discussion regarding maximizing sale process proceeds concerning the tenancy arrangements at this time and a few scenarios
22-Mar-2024	Deborah Hornbostel	2.60	Update from A Kapoor re today's site visit and status of info and keys from Usman, receipt of water invoice due today, process payment online, fwd documents to C Nathwani for processing, review CBRE marketing report, respond, fwd to J Spetter with comments, notification from reception of keys dropped off, update A Kapoor to obtain details on keys received, update from him on what was received, review of various hydro bills received today, request payment and investigation, review reply from J Spetter for supplementary report, email exchange with T Taggart, call with J Spetter and I Klaiman re leases and upcoming motion, draft supplementary report and provide to SZK, respond to T Taggart
25-Mar-2024	Akhil Kapoor	.30	Emails with CDW Engineering regarding their comments on Fire Safety report, deficiencies noted by them in the report vs their observations during their visit last month among others
25-Mar-2024	Astrid St-Pierre	.20	follow up to hydro
25-Mar-2024	Chahna Nathwani	.60	prepared requisitions for Toronto Hydro and Property tax, processed cheques for signing, fwd to D. Hornbostel for approval.
25-Mar-2024	Chahna Nathwani	.30	Doc uploaded on case website
25-Mar-2024	Deborah Hornbostel	.60	Review emails from T Van Klink and J Spetter, request copy of served motion record and arrange website posting, email property tax payment

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			to C Nathwani for processing, Review and approve disbursement/sign cheques
26-Mar-2024	Akhil Kapoor	1.00	Discussion with D. Hornbostel regarding update on the court attendance and court order allowing us to enter the premises with 48 hours notice, notice to be delivered personally to all the tenants tomorrow along with the court order, also directing the tenants to handover a copy of their lease and to remove hazardous materials from their premises; discussion with A. Pierre to contact Fire advisor for a quote on revised fire safety plan, to contact other fire companies to rectify deficiencies.
26-Mar-2024	Deborah Hornbostel	2.80	Attend court motion, tc with I Klaiman and J Spetter thereafter, review issued Order and endorsement, email to SZK re same, arrange for website posting thereof, draft cover letter for issuance with Court Order to occupants, email to Usman to provide court order and detail his requirements pursuant thereto, discussion with A Kapoor re site attendance tomorrow and Thursday, review CDW response on the fire plan deficiencies, discuss with A Kapoor, email to T Taggart to advise of 48 hour notice requirement
26-Mar-2024	Lisa Visconti	.20	BANK REC
27-Mar-2024	Akhil Kapoor	2.40	Reviewing the Court order and the notice prepared by D. Hornbostel, preparing copies for the tenants, visiting the premises and meeting the tenants at the basement (pharmacy and clinic), 1st floor jewellery shop and sharing information about receivership, removal of hazardous materials, requesting copy of lease, updating them about the proposed showings; meeting Usman on the 3rd floor, discussion regarding various matters incl. the above, activities which needs to be carried out by the Receiver until the receivership is terminated, handing over the notice and court order to the 5-6 tenants on 3rd, 4th and 5th floor, reminding Usman to provide extra fobs among various other matters; updating D. Hornbostel about the above and discussion regarding next steps
27-Mar-2024	Chahna Nathwani	.30	uploading docs on case website
27-Mar-2024	Deborah Hornbostel	.60	Email exchanges with I Klaiman re Order reissuance, instructions to A Kapoor to proceed to serve tenants as is, email from Usman re hazardous material removal, update J Spetter, review his email to H Manis, email exchange with CBRE agent
28-Mar-2024	Akhil Kapoor	2.50	Discussion with Usman re pending information on subleases, CRA, mails, bank statements and others and setting a timeline to receive them, also discussed the timeline for a firm commitment letter; follow up with Dr. Frank regarding vacating the 2nd floor premises, visiting the premises to confirm removal of all hazardous materials from all the stores especially cylinders on the 4th and 5th floors; discussions re making duplicate keys of all the floors to give a copy to the realtor, reviewing the fire safety box among others; status update on follow up with fire advisor to update fire inspection report.
28-Mar-2024	Deborah Hornbostel	2.20	Review email from A Kapoor re site attendance yesterday, discussion with him re same and next steps, text from Usman, reply, update to SZK, reply to CBRE for meeting request, updates and instructions to A Kapoor during site attendance, updates to counsel, review various emails with

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
			counsels and respond, quick review of sub-leases from Usman, fwd to counsel, instructions to A Kapoor to review and summarize
01-Apr-2024	Akhil Kapoor	1.30	Discussion with D. Hornbostel re City of Toronto accounts (property taxes and water), status of key availability for all units, removal of hazardous materials, 2nd floor to be vacated today, information pending from Usman; emails with Usman regarding the pending information for CRA, bank statements, unpaid hydro bills of main floor unit, status of keys and fobs required among other matters, glancing through the leases shared and advising him that the lease copies are unsigned; discussion with 2nd floor tenant regarding vacating the premises and hand over of the key
01-Apr-2024	Deborah Hornbostel	.20	Discussion with A Kapoor re lack of turnover of signed leases and keys to units, review and approve draft ad for CBRE
02-Apr-2024	Akhil Kapoor	1.00	Follow up with Usman regarding signed leases, rent payment, fobs and keys among others; discussion with D. Hornbostel regarding certain matters related to pending information, proposed showing by the Realtor for Apr 5 among other matters; follow up with other tenants for rent payment; confirmation of key handover of 2nd floor to the pharmacy person as the tenant vacated the premises; email comm with a Fire advisor to obtain a quote to update the fire safety plan and to obtain contacts to remedy the deficiencies noted in the report.
02-Apr-2024	Deborah Hornbostel	2.80	Email from T Taggart to schedule tour, advise Usman of appointment and request keys, check bank account status, email to A Kapoor re o/s April rents and documentation from Usman, receipt and review of payout statement from T Van Klink, email to J Spetter with update on Usman issues, review response, review email from H Manis advising of receipt of some funds to payout BMO, review J Spetter's response, tc to E Devilles of CRA for update, prepare updated SRD and accruals to completion, provide info to J Spetter, review emails from counsels on forgiveness of 3% interest, review CBRE listing agreement, forward to J Spetter to review re termination/ redemption fee, email exchanges with him on that, update trust account projection and email back to him re discharge concerns
03-Apr-2024	Deborah Hornbostel	.20	Review and approve requested amendments to CA for T Taggart
04-Apr-2024	Akhil Kapoor	.20	Discussion with D. Hornbostel regarding the current status of communication with Usman, pending information, proposed receipt of funds from him to proceed towards termination of receivership among others; confirmation on rent received from the basement.
04-Apr-2024	Deborah Hornbostel	1.20	Tc with A Kapoor for update, tc with Usman re status of funding, compliance with Order and outstanding April rent payment, email to J Spetter to update, update from C Nathwani re receipt of clinic rent, vm from Larry of Benson, text to Usman, email with J Spetter to update, email exchange with T Taggart to update on access issues and potential payout by Usman, review emails from J Spetter to H Manis, review new Enbridge invoice, instructions to C Nathwani, text from Usman
05-Apr-2024	Akhil Kapoor	.30	Arranging for Realtor's visit at 3 pm for a showing and coordinating with the pharmacy, brief discussion with D. Hornbostel about it

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
05-Apr-2024	Deborah Hornbostel	.90	Receipt and review of marketing report from CBRE, update call with CBRE team, text to Usman re lack of funding email and requirement to provide access today, review email update from H Manis and respond, tcs from T Taggart, confirm cancellation of today's viewing to counsels due to lack of access by Usman, review emails from H Manis re funding to date, email to J Spetter re shortfall
08-Apr-2024	Deborah Hornbostel	.20	Respond to email from T Taggart re BMO payout update, update from T Van Klink
09-Apr-2024	Akhil Kapoor	.10	Discussion with D. Hornbostel about status of the file and follow up with Usman for April rent
09-Apr-2024	Deborah Hornbostel	1.10	Tel call with Leo Chun, review 105 lease re default clauses, email same to J Spetter, review his response and provide instructions, tel call from L Sherman of Benson Capital, update email to L Chun and counsels, respond to email from J Spetter
09-Apr-2024	Evani Patel	.30	Cheque Requisition for Toronto Hydro Payment
10-Apr-2024	Akhil Kapoor	.10	Email with Fire advisor to advise them about status of file, discussion on availability of drawings and advising them that we will respond next week about the scope of work.
10-Apr-2024	Deborah Hornbostel	.70	Review email exchanges between J Spetter and H Manis re financing funds, email from L Chun, email exchange with T Taggart, fwd email to L Chun, tc with T Taggart, vm update to L Chun
11-Apr-2024	Deborah Hornbostel	.80	Email exchange with L Chun, review "sub-leases" provided by Usman, update from counsel re acceptance of settlement to discharge BMO security, emails with J. Spetter re issues surrounding discharge, review exchange with T Van Klink
12-Apr-2024	Akhil Kapoor	.10	Glancing through the offers received for the sale of the building
12-Apr-2024	Deborah Hornbostel	.90	Email to K Figaszewska of CRA for assistance re claims and RT2 account, email update from T Taggart re offer bids, review offer and provide comments, review email from Usman requesting fee discount, fwd to counsel, respond, update L Chun on offer bid, review another offer
14-Apr-2024	Deborah Hornbostel	.10	Review emails from H Manis and J Spetter and respond
15-Apr-2024	Deborah Hornbostel	1.30	Forward realty offer to J Spetter, seek directions wrt CBRE listing from him, receipt of CBRE's summary of offers, circulate, emails with L Chun and T Van Klink, meeting with CBRE, email to U Khalid to request CBRE showing, further emails with L Chun and counsel re potential discharge and related issues, email to T Taggart re listing amendment and lack of response from Usman, response from U Khalid, update J Spetter, email exchange with T Taggart re U Khalid's response, check on Court date status
16-Apr-2024	Deborah Hornbostel	.10	Review emails from T Van Klink and J Spetter
17-Apr-2024	Deborah Hornbostel	3.20	Court date emails with J Spetter, commence drafting report, further emails with J Spetter
18-Apr-2024	Chahna Nathwani	.90	Prepared and finalise the dockets for the report
18-Apr-2024	Jerry Henechowicz	1.00	Second partner review of first report and forwarding same to D.H. for completion

DATE	PROFESSIONAL	HOURS	DETAILED TIME DESCRIPTIONS
18-Apr-2024	Akhil Kapoor	.20	Discussion with D. Hornbostel regarding information provided by Usman post Mar 26 order, expenses outstanding to be paid as we prepare for a discharge
18-Apr-2024	Deborah Hornbostel	8.20	Report drafting, review emails between counsels re source of funds for BMO payout, review security opinion, circulate draft report to counsel and J Henechowicz for review, prepare SRD and projected final SRD, affidavit of fees, review report comments and amend report, provide report changes to J Spetter, emails with him re service plans, motion issues and required o/s info to finalize, preparation of appendices, report adjustments.

SUMMARY OF TIME CHARGES

Professional	Average Hourly Rate (CAD \$)	Working Hours	Fees (CAD \$)
Deborah Hornbostel; Senior Vice-President	\$780.00	131.9	\$ 102,882.00
Jerry Henechowicz; Senior Vice-President	780.00	2.0	1,560.00
Akhil Kapoor; Manager	495.00	67.5	33,412.50
Chahna Nathwani; Estate Administrator	264.00	3.6	950.40
Evani Patel; Consultant	362.00	0.3	108.60
Upasana Nayak; Estate Administrator	264.00	18.7	4,936.80
Yujun Liu; Consultant	362.00	3.0	1,086.00
Astrid St-Pierre; Estate Administrator	205.00	0.8	164.00
Lisa Visconti; Administrative Assistant	177.00	0.4	70.80
Subtotal		227.2	\$ 146,731.10
Add: HST (13%)			19,075.04
Receiver's fee to April 18, 2024; Inclusive of HST			\$ 165,806.14

Appendix “U”

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

B E T W E E N:

BANK OF MONTREAL

Applicant

- and -

11603531 CANADA INC.

Respondent

APPLICATION UNDER SECTION 243(1) of the *BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE*
ACT, R.S.O. 1990, c. c-43, AS AMENDED

AFFIDAVIT OF JASON D. SPETTER

I, **Jason D. Spetter**, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY
AS FOLLOWS:

1. I am a lawyer with the law firm of Spetter Zeitz Klaiman PC (“**SZK**”), lawyers for MNP Ltd. (“**MNP**”) in its capacity as receiver and receiver and manager of the assets, undertakings and properties of the Respondent, 11603531 Canada Inc., in this proceeding and as such have knowledge of the matters to which I hereinafter depose. I verily believe to be true all matters that I depose to which I do not have first-hand knowledge of based on my review of the file.

2. Now produced and shown to me and marked as **Exhibit “A”** to this my Affidavit is a true copy of an account issued by SZK to MNP for the period between November 16, 2023 and April 19, 2024.

3. I confirm that the account described above accurately reflects the services provided by SZK in this matter and the fees and disbursements claimed by it during the period described above.

4. Additionally, attached hereto and marked as **Exhibit "B"** to this my Affidavit is a summary of additional information with respect to the aforementioned account indicating all members of SZK who worked on this matter during the period described above, including their year of call to the bar.

5. This Affidavit is in support of the motion to discharge the Receiver and for no other or improper purpose.

SWORN BEFORE ME by video
teleconference at the City of Toronto, in the
Province of Ontario on the 19th day of April,
2024, in accordance with O. Reg. 431/20,
Administering Oath or Declaration Remotely



Cora Madden
LSO No. 86256C



JASON D. SPETTER

This is **Exhibit “A”** referred to
in the Affidavit of Jason Spetter
Sworn before me this 19th
Day of April, 2024

Cora Madden

A commissioner for taking Affidavits Virtually
Commissioned by Cora Madden
LSO#86256C, as per LSO corporate statement re COVID-19

INVOICE

MNP Ltd.
1 Adelaide Street East, Suite 1900
Toronto, Ontario M5C 2V9

Invoice Date: April 19, 2024
Invoice No.: -draft-
Billing Through: April 19, 2024
Matter: 70184

Attention: Deborah Hornbostel

RE: 11603531 Canada Inc. (Gold Stock Corp, Khalid Mahmood and Adnan Khalid)

Professional Fees

<u>Date</u>	<u>Description</u>	<u>Provider</u>	<u>Hours</u>
2023-11-16	To preparation and registration of Court Order	GN	1.00
2023-12-14	Review Master Lease to answer receiver's questions about oppressive terms; Prepare email memo re same;	JSQ	1.50
2024-02-12	correspondence with client regarding debtor's resistance to cooperating with receiver; correspondence to Howard Manis to advise of receiver's intention to bring motion to ensure debtor's compliance with appointment order	JDS	0.40
2024-02-12	correspondence with debtor's counsel regarding granting receiver access to the premises; reporting to client	JDS	0.30
2024-02-13	correspondence with client regarding concerns over debtor not providing timely access to the premises; correspondence with debtor's counsel regarding access to the premises; reporting to client	JDS	0.70
2024-02-15	reviewing lease agreements with 2325084 Ontario Inc.; reviewing lease extension letter sent by landlord; reviewing Notice to Arbitrate filed by tenant; correspondence with client	JDS	1.10
2024-02-23	correspondence with client regarding ongoing issues with access to the premises; correspondence to solicitor for the tenants, 2325084 Ontario Inc.	JDS	0.60
2024-02-26	Draft Aide Memoire for commercial list scheduling hearing	JB	0.50
2024-02-26	correspondence with counsel and court office regarding motion scheduling	JDS	0.60
2024-02-27	Draft aide memoire for hearing to schedule motion	JB	0.50
2024-02-27	revising Aide Memoire re February 29, 2024 scheduling appearance	JDS	0.40
2024-02-27	correspondence with client regarding 2325084 Ontario Inc.'s unpaid rent; following up with counsel to 2325084 Ontario Inc.; correspondence with solicitor for debtor regarding possible resolution of motion to compel debtor to comply with obligations pursuant to court order	JDS	0.70
2024-02-27	reviewing draft NDA and Agreement of Purchase and Sale	JDS	1.30
2024-02-28	Review Aid Memoire for Feb 29 attendance; Strategize with Jason Spetter re Feb 29 court attendance to book motion seeking access to property;	JSQ	0.60
2024-02-29	Receipt and review of Osborne J.'s endorsement;	JSQ	0.10

2024-02-29	Attend before Justice Osborne to schedule Receiver's motion for access to 55 Dundas and other relief;	JSQ	0.50
2024-03-03	correspondence with client regarding 2325084 Ontario Inc.'s leases; correspondence with 2325084 Ontario Inc.'s solicitor regarding his client's vacancy of 2nd floor	JDS	0.30
2024-03-06	correspondence with Gary Grant regarding claim commenced against company; correspondence with client	JDS	0.40
2024-03-11	reviewing commitment letter from Benson Mortgages; correspondence with client regarding payout	JDS	0.50
2024-03-12	correspondence from Gary Grant regarding property listing; correspondence with client	JDS	0.30
2024-03-20	reviewing and revising receiver's draft report; revising draft Notice of Motion; correspondence with client	JDS	1.20
2024-03-20	Draft Notice of Motion for motion compelling compliance from debtor related to documents and information requested by Receiver	JB	2.50
2024-03-20	making further amendment to draft Notice of Motion; correspondence with counsel for debtor regarding relief being sought by receiver	JDS	0.70
2024-03-20	Draft the draft Order of the court to compel debtor to provide information and access to property	JB	0.50
2024-03-21	Revise Notice of Motion and draft Order	JB	0.60
2024-03-21	correspondence with counsel for debtor regarding draft order; discussion with client regarding Gary Grant's request for leave	JDS	1.30
2024-03-21	review and edit notice of motion and draft order	IJK	0.60
2024-03-22	conference call with J. Spetter and D. Hornbostel	IJK	0.40
2024-03-25	correspondence with lawyer for BMO	JDS	0.30
2024-03-26	correspondence with client and debtor's counsel regarding debtor's request for adjournment of today's motion	JDS	0.40
2024-03-26	review motion material and prepare for motion; attend on motion; recap discussion with D. Hornbostel; edit draft order; emails with counsel; email to D. Hornbostel	IJK	2.20
2024-03-27	emails with D. Hornbostel	IJK	0.20
2024-03-27	correspondence with debtor's counsel to confirm his client has not yet complied with Justice Osborne's order of March 26, 2024	JDS	0.30
2024-03-28	preparing letter of opinion regarding validity of BMO's security interest	JDS	1.30
2024-03-28	correspondence with client regarding debtors' alleged refinancing set to close next week	JDS	0.20
2024-03-28	correspondence with debtor's counsel regarding apparent forthcoming payout; reviewing updated PPSA search; correspondence with counsel for BMO regarding apparent forthcoming payout; correspondence with client regarding debtor's non-compliance with March 27th order; correspondence with client; reviewing copies of alleged subleases provided by debtor	JDS	1.60
2024-04-02	reviewing payout statement from BMO; correspondence with client regarding debtor's continued non-compliance with Justice Osborne's order; correspondence with counsel for debtor regarding payout	JDS	0.60

2024-04-02	reviewing Listing Agreement to confirm what amount broker may be entitled to receive on refinancing; further correspondence and communications with client regarding potential redemption fee; correspondence with debtor's counsel regarding outstanding issues that need to be dealt with until receiver discharged	JDS	1.30
2024-04-02	review listing agreement and provide comments on commission clause	IJK	0.40
2024-04-04	correspondence with client regarding debtor's continued non-compliance with court orders; correspondence to debtor's counsel regarding concern over debtor's continued non-compliance	JDS	0.40
2024-04-04	Updated Subsearch of Title	GN	1.00
2024-04-05	correspondence with client regarding debtor's continued non-cooperation; correspondence with debtor's counsel regarding funds in his trust account; correspondence with counsel for BMO to confirm BMO's position regarding potential shortfall	JDS	0.70
2024-04-09	review master lease between 116 and 105; provide advise and recommendations on remedies under the master lease	IJK	0.50
2024-04-09	reviewing debtor's lease with 10587699 Canada Corp. regarding landlord's right to terminate; advising clients steps that need to be taken to terminate lease; drafting Notice of Default; correspondence with client regarding default	JDS	1.10
2024-04-11	correspondence with counsel for BMO regarding BMO's agreement to discharge it's security based on payment of funds being held by debtor's lawyer; correspondence with counsel for BMO and debtor regarding logistics in connection to getting receiver discharged; reporting to client	JDS	1.10
2024-04-15	correspondence with client regarding offers received on bid date; reviewing offers; correspondence with counsel for BMO to confirm if proceeds have been paid from debtor	JDS	0.60
2024-04-16	correspondence with client regarding debtor's continued default in obligations pursuant to court orders; correspondence with client and solicitor for BMO regarding potential issues with obtaining receiver's discharge	JDS	0.60
2024-04-17	correspondence with client and other counsel regarding scheduling of discharge motion	JDS	0.40
2024-04-17	provide comments on service issues and timing for discharge motion	IJK	0.20
2024-04-17	correspondence with debtor's lawyer seeking confirmation of source of funds to be paid to BMO; reviewing municipal tax certificate; reporting to client regarding municipal taxes	JDS	0.60
2024-04-18	reviewing receiver's draft 2nd report; correspondence with client regarding proposed changes to 2nd report	JDS	1.60
2024-04-18	Review, analyze report of the receiver to prepare motion materials for discharge order	CAM	0.50
2024-04-18	Draft, revise notice of motion for receivership discharge	CAM	1.50
2024-04-18	Draft, revise draft receivership discharge order (clean and blacklined copies)	CAM	0.40
2024-04-18	Draft, revise fee affidavit of SZK	CAM	0.40
2024-04-19	reviewing and revising draft Notice of Motion, Discharge Order and Fee Affidavit; reviewing Receiver's Amended 2nd Report	JDS	1.40
2024-04-19	draft, revise receivership discharge order	CAM	0.10
2024-04-19	draft, revise fee affidavit of SZK	CAM	0.10

Total

42.10
\$23,915.00
Summary by Provider

JDS	Jason Spetter	25.30	650.00	16,445.00
CAM	Cora Madden	3.00	375.00	1,125.00
GN	Gloria Nanou	2.00	150.00	300.00
IJK	Ian Klaiman	4.50	600.00	2,700.00
JB	Jakob Bogacki	4.60	375.00	1,725.00
JSQ	James Quigley	<u>2.70</u>	600.00	<u>1,620.00</u>
		42.10		23,915.00

Total HST on Fees

\$3,108.95

Disbursements Taxable

Registration-Court Order -s/c	11.65
Updated Subsearch of Title	42.55
Tax Certificate	85.15
PPSA Search	8.00

Total

\$147.35

Total HST on Disbursements

\$19.16

Disbursements Non-Taxable

Registration-Court Order	69.95
Minister of Finance-File Motion Record	339.00

Total

\$408.95

Total Fees and Disbursements	\$24,471.30
HST	\$3,128.11
Transferred from Trust	\$0.00
Total Fees, Disbursements & Taxes	\$27,599.41

Unpaid Balance as of Last Invoice \$0.00

SPETTER ZEITZ KLAIMAN PC



Jason Spetter

Total HST: \$3,128.11
HST No.: 720773514

Payment of this account is due on receipt.

[Pay by Credit Card](#)



NOTE: This account bears interest from one month after delivery in accordance with the rate prescribed by Section 128 of the Courts of Justice Act.

This is **Exhibit “B”** referred to
in the Affidavit of Jason Spetter
Sworn before me this 19th
Day of April, 2024

Cora Madden

A commissioner for taking Affidavits Virtually
Commissioned by Cora Madden
LSO#86256C, as per LSO corporate statement re COVID-19

SUMMARY

NAME OF LAWYER	YEAR OF CALL	HOURLY RATE	TOTAL HOURS	TOTAL FEES (excl. HST)
JSQ – James Quigley	2000	\$600.00	2.7	\$1,620.00
JDS – Jason Spetter	2002	\$650.00	25.30	\$16,445.00
IJK – Ian Klaiman	2010	\$600.00	4.5	\$2,700.00
JB – Jakob Bogacki	2022	\$375.00	4.6	\$1,725.00
CAM – Cora Madden	2023	\$375.00	3.0	\$1,125.00
GN – Gloria Nanou	Clerk	\$150.00	2.0	\$300.00

BANK OF MONTREAL

Applicant

-and-

11603531 CANADA INC.

Respondent

Court File No.: CV-23-00705867-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

CHHF CXK'QHLCUQP "
URGVVGT

SPETTER ZEITZ KLAIMAN PC

Barristers & Solicitors

100 Sheppard Avenue East, Suite 850

Toronto, Ontario M2N 6N5

JASON D. SPETTER [LSO No. 46105S]

IAN KLAIMAN [LSO No. 58955G]

Tel: 416-789-0652

Fax: 416-789-9015

Email: jspetter@szklaw.ca

Email: iklaiman@szklaw.ca

Lawyers for the Receiver, MNP Ltd.

TAB 3

Court File No. CV-23-00705867-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) ~~WEEKDAY~~THURSDAY, THE #25TH
JUSTICE ~~_____~~WILTON-SIEGEL) DAY OF ~~MONTH~~APRIL, 2024~~YR~~

B E T W E E N:

**BANK OF MONTREAL
PLAINTIFF**

Applicant~~Plaintiff~~

- and -

**11603531 CANADA INC.
DEFENDANT**

Respondent~~Defendant~~

DISCHARGE ORDER

THIS MOTION, made by ~~[MNP Ltd.~~RECEIVER'S NAME] in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of 11603531 Canada Inc. ~~[DEBTOR]~~ (the "Debtor"), for an order:

1. approving the activities of the Receiver as set out in the report of the Receiver dated ~~[DATE]~~April 19, 2024 (the "Report");
 2. approving the fees and disbursements of the Receiver and its counsel;
 3. approving the distribution of the remaining proceeds available in the estate of the Debtor;
- ~~[and]~~**

4. discharging ~~[RECEIVER'S NAME]~~ MNP Ltd. as Receiver of the undertaking, property and assets of the Debtor~~};~~ and

5. releasing MNP Ltd. ~~[RECEIVER'S NAME]~~ from any and all liability, as set out in paragraph 5 of this Order]¹,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report, the affidavits of the Receiver and its counsel as to fees (the "Fee Affidavits"), and on hearing the submissions of counsel for the Receiver, ~~no one else appearing although served as evidenced by the Affidavit of [NAME] sworn [DATE], filed and such other parties in attendance at the hearing~~²;

1. THIS COURT ORDERS that the activities of the Receiver, as set out in the Report, are hereby approved.

2. THIS COURT ORDERS that the fees and disbursements of the Receiver and its counsel, as set out in the Report and the Fee Affidavits, are hereby approved.

~~2.3.~~ THE COURT ORDERS that the Debtor shall make a payment to BMO the Applicant, Bank of Montreal, in the amount of \$8,000,000.

~~3. THIS COURT ORDERS that, after payment of the fees and disbursements herein approved, the Receiver shall pay the monies remaining in its hands to [NAME OF PARTY]~~³;

4. THIS COURT ORDERS that upon payment of the amounts set out in paragraph 3 hereof [and upon the Receiver filing a certificate certifying that it has completed the other activities described in the Report~~};~~ the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to

~~¹If this relief is being sought, stakeholders should be specifically advised, and given ample notice. See also Note 4, below.~~

~~²This model order assumes that the time for service does not need to be abridged.~~

~~³This model order assumes that the material filed supports a distribution to a specific secured creditor or other party.~~

have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of ~~{RECEIVER'S NAME}~~ MNP Ltd. in its capacity as Receiver.

5. ~~{THIS COURT ORDERS AND DECLARES that MNP Ltd. {RECEIVER'S NAME} is hereby released and discharged from any and all liability that MNP Ltd. {RECEIVER'S NAME} now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of MNP Ltd. {RECEIVER'S NAME} while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, MNP Ltd. {RECEIVER'S NAME} is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.}~~⁴

⁴~~The model order subcommittee was divided as to whether a general release might be appropriate. On the one hand, the Receiver has presumably reported its activities to the Court, and presumably the reported activities have been approved in prior Orders. Moreover, the Order that appointed the Receiver likely has protections in favour of the Receiver. These factors tend to indicate that a general release of the Receiver is not necessary. On the other hand, the Receiver has acted only in a representative capacity, as the Court's officer, so the Court may find that it is appropriate to insulate the Receiver from all liability, by way of a general release. Some members of the subcommittee felt that, absent a general release, Receivers might hold back funds and/or wish to conduct a claims bar process, which would unnecessarily add time and cost to the receivership. The general release language has been added to this form of model order as an option only, to be considered by the presiding Judge in each specific case. See also Note 1, above.~~

BANK OF MONTREAL

Applicant

-and-

11603531 CANADA INC.

Respondent

Court File No.: CV-23-00705867-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD

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