

Court File No. 31-2303814
Estate File No. 31-2303814

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

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**CROWE SOBERMAN INC., in its capacity as
Licensed Insolvency Trustee of 1482241 Ontario Limited**

**MOTION RECORD OF 1482241 ONTARIO LIMITED
(Motion to Release Funds, Returnable June 12, 2018)**

June 8, 2018

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

David T. Ullmann (LSUC #42357I)
Tel: (416) 596-4289
Fax: (416) 594-2437
Email: dullmann@blaney.com

Alexandra Teodorescu (LSUC # 63889D)
Tel: (416) 596-4279
Fax: (416) 594-2437
Email: ateodorescu@blaney.com

Lawyers for 1482241 Ontario Limited

TO: **Aird Berlis LLP**
Brookfield Place,
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff
Tel: (416) 865-7726
Email: sgraff@airdberlis.com

Miranda Spence
Tel: (416) 865-3414
Email: mspence@airdberlis.com

Lawyers for Crowe Soberman Inc. ("Proposal Trustee")

AND TO: **Fasken Martineau Dumoulin LLP**
Bay Adelaide Centre
333 Bay Street, Suite 2400
Toronto, ON M5H 2T6

Natasha De Cicco
Tel: (416) 868-7856
Fax: (416) 364-7813
Email: ndecicco@fasken.com

Dylan A. Chochla
Tel: (416) 868-3425
Fax: (416) 364-7813
Email: dchochla@fasken.com

Lawyers for 1979119 Ontario Inc. ("Purchaser")

AND TO: Miller Thomson LLP
60 Columbia Way, Suite 600
Markham, ON L3R 0C9

Ivan Mitchell Merrow
Nahla Khouri
Greg Azeff
Tel: (905) 532-6607
Fax: (905) 415-6777
Email: imerrow@millerthomson.com
Email: nkhouri@millerthomson.com
Email: gazeff@millerthomson.com

Counsel for Jamshid Hussaini, Neelofar Ahmadi, and Homelife Dreams Realty Inc.

AND TO: Dickinson Wright LLP
199 Bay Street, Suite 2200
Toronto, ON
M5L 1G4

Mark Shapiro
Tel: (416) 646-4603
Fax: (844) 670-6009
Email: MShapiro@dickinson-wright.com

Michael Brzezinski
Tel: (416) 777-2394
Fax: (844) 670-6009
Email: MBrzezinski@dickinson-wright.com

Lawyers for North York Family Physicians Holdings Inc.

AND TO: Yonge-Norton Law Chambers
5255 Yonge Street, Suite 1300
Toronto, Ontario
M4B 3C2

A. Paul Gribilas
Tel: (416) 446-1222
Fax: (416) 446-1201
Email: pgribilas@ynlclaw.com

Lawyers for Mann Engineering Ltd.

AND TO: Chaitons LLP
5000 Yonge St.
North York, ON
M2N 7E9

George Benchetrit
Tel: (416) 218-1141
Fax: (416) 218-1841
Email: george@chaitons.com

Counsel for Dan Realty Corporation, E. Manson Investments Limited, Copperstone Investments Limited (“First Mortgagees”)

AND TO: Harvey S. Margel
Barrister & Solicitor
2365 Finch Ave. West, #202
North York, ON M9M 2W8

Phone: (416) 745-9933
Fax: (416) 745-9290
Email: harveymargel@rogers.com

Counsel for Janodee Investments Ltd. and Meadowshire Investments Ltd. (“Second Mortgagees”)

AND TO: Lerners LLP
Barristers & Solicitors
130 Adelaide Street West, Suite 2400
Toronto, ON M5H 3P5

Emily Fan
Phone: (416) 601-2390
Fax: (416) 867-2452
Email: efan@lerners.ca

Counsel for Janodee Investments Ltd. and Meadowshire Investments Ltd. (“Second Mortgagees”)

AND TO: Treasurer, City of Toronto
c/o George Charocopos
Collections Department
North York Civic Centre, Lower Level
5100 Yonge Street
North York, ON M2N 5V7

Fax: (416) 395-6703
Email: gcharoc@toronto.ca

AND TO: DEPARTMENT OF JUSTICE CANADA
The Exchange Tower
130 King Street West
Suite 3400, P.O. Box 36
Toronto, ON M5X 1K6

Diane Winters
Tel: (416) 973-3172
Fax: (416) 973-0810
Email: diane.winter@justice.gc.ca

**AND TO: HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE**
33 King Street West, 6th Floor
Oshawa, ON L1H 8E9

Kevin J. O'Hara
Tel: (905) 433-6934
Fax: (905) 436-451
Email: kevin.ohara@ontario.ca

AND TO: GOWLING WLG
100 King Street West Suite 1600
Toronto Ontario
M5X 1G5
Canada

Christopher Stanek
Tel: 416-862-4369
Fax: 416-862-7661
Email: christopher.stanek@gowlingwlg.com

Natasha Carew
Tel: (416) 862-4295
Fax: (416) 862-7661
Email: Natasha.Carew@gowlingwlg.com

AND TO: DEVRY SMITH FRANK LLP
95 Barber Greene Road, Suite 100
Toronto, ON M3C 3E9

Larry Keown
Tel: (416) 446-5815
Fax: (416) 449-7071
Email: larry.keown@devrylaw.ca

AND TO: FASKEN MARTINEAU DUMOULIN LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
Toronto, ON M5H 2T6

Stuart Brotman
Tel: (416) 865-5419
Fax: (416) 364-7813
Email: sbrotman@fasken.com

Counsel for Torgan Properties Limited

AND TO: DENTONS CANADA LLP
77 King Street West, Suite 400
Toronto, ON M5K 01A

Neil Rabinovitch
Tel: (416) 863-4656
Email: neil.rabinovitch@dentons.com

Counsel for Clear Customs Brokers Ltd.

AND TO: CLYDE & CO. CANADA LLP
401 Bay Street, Suite 2500
Toronto, ON M5H 2Y4

Jamie Spotswood
Tel: (416) 366-6110
Fax: (416) 366-6110
Email: Jamie.Spotswood@clydeco.ca

Counsel for Allevio Clinic #1 Toronto Inc. o/a Allevio Inc.

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**CROWE SOBERMAN INC., in its capacity as
Licensed Insolvency Trustee of 1482241 Ontario Limited**

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EXHIBIT E

This is Exhibit "E" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



*A Commissioner for Taking Oaths, Affidavits (or as may be) in
Ontario*

David Ullmann

Court File No. 31-2303814

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) THURSDAY, THE 5TH
)
JUSTICE HAINY) DAY OF APRIL, 2018
)



**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

ORDER re INTERIM DISTRIBUTION

THIS MOTION, made by Crowe Soberman Inc., in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of 1482241 Ontario Limited (the “**Debtor**”), for an order approving an interim distribution to Janodee Investments Ltd. and Meadowshire Investments Ltd. (together, the “**Second Mortgagee**”), was heard this day at 330 University Avenue, Toronto, Ontario

ON READING the fourth report of the Proposal Trustee dated March 7, 2018 (the “**Fourth Report**”), the supplemental report to the Fourth Report dated March 15, 2017 (the “**Supplement to the Fourth Report**”), the second supplemental report to the Fourth Report dated March 22, 2018, and the affidavit of Ellen Kent sworn March 26, 2016, and on being advised that the Debtor and the Second Mortgagee consent to the relief sought herein, and on hearing the submissions of counsel for the Proposal Trustee and such other counsel as were present, no one appearing for any other person on the service list, although properly served as

appears from the affidavits of service of Diana Saturno and Diana McMillen sworn March 8, 2018, filed,

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, without further Order of this Court, to distribute the sum of \$1,200,000 to the Second Mortgagee from the proceeds received pursuant to the APS (as defined in the Fourth Report), which amount shall be applied to reduce the indebtedness owing by the Debtor to the Second Mortgagee pursuant to the Second Mortgage (as defined in the Supplement to the Fourth Report), as set out in the Second Mortgagee's discharge statement appended as Appendix G to the Supplement to the Fourth Report (the "**Discharge Statement**").
3. **THIS COURT ORDERS** that, for greater certainty, the Second Mortgagee shall not be deemed hereby to waive its claim to the remaining amounts set out in the Discharge Statement (i.e. the sum of \$450,378.19 plus accruing interest) (the "**Disputed Amount**"). The Second Mortgagee's claim to the Disputed Amount shall be determined by this Court on a future attendance, or as may be agreed by the parties, subject to Court approval. The Proposal Trustee shall continue to hold the remaining proceeds received pursuant to the APS (including, without limitation, the Disputed Amount), in trust, on the terms ordered by way of the Approval and Vesting Order dated March 16, 2018 made in this proceeding.

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PER / PAR:



IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto

ORDER re INTERIM DISTRIBUTION

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Miranda Spence (LSUC # 60621M)
Tel: (416) 865-3414
Fax: (416) 863-1515
Email: mspence@airdberlis.com

EXHIBIT F

This is Exhibit "F" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



*A Commissioner for Taking Oaths, Affidavits (or as may be) in
Ontario*

David Ullmann

Court File No. 31-2107857

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

PROPOSAL OF 1482241 ONTARIO LIMITED ("148")

148 hereby submits the following Proposal to all of its Unsecured Creditors pursuant to Part III of the *Bankruptcy and Insolvency Act* (Canada).

ARTICLE I

DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) "**Administrative Charge**" means the Administrative Charge created by the Charging Order;
- (b) "**Administrative Fees and Expenses**" means the fees, expenses and legal fees and disbursements of the Trustee, and the Debtor incurred in relation to the Notice of Intention to File Proposal proceedings and in respect of on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (c) "**Approval Date**" is the date upon which the Approval Order is granted;
- (d) "**Approval Order**" means an order of the Court approving the Proposal;
- (e) "**Avison Young Recovery**" means such amounts as Avison Young may be required to reimburse to 148 related to rental amounts received by Avison Young during its period as manager of the building;
- (f) "**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended and in force as at the Date of Filing;

- (g) "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;
- (h) "**Canada Pension Plan**" means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (i) "**Charging Order**" means the Order of Justice Hainey in these proceedings dated November 3, 2017 under which the Administrative Charge and the DIP Charge was created;
- (j) "**Claim**" means any right of any Person against the Debtor in connection with any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence at the Date of Filing, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or at the time of the Implementation Date including, without limitation any, claims that would have been claims provable in bankruptcy had the Debtor become bankrupt on the Date of Filing, and including, without limitation any claims in respect of unpaid goods and services provided to the Debtor which arose after the Date of Filing other than those services in respect of which the Administrative Charge has been granted in these proposal proceedings;
- (k) "**Collateral**", in respect of a Secured Creditor, means the assets and property of the Debtor in which the Secured Creditor holds a valid and enforceable security interest;
- (l) "**Company**" shall mean the Debtor;
- (m) "**Court**" means the Ontario Superior Court of Justice (in Bankruptcy and Insolvency);
- (n) "**Creditor**" means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (o) "**Creditors' Meeting**" means the meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
- (p) "**Creditors' Meeting Date**" means such date and time as may be called by the Trustee, but in any event shall be no later than twenty-one (21) days following the Date of the Proposal;
- (q) "**Date of Filing**" means October 13, 2017, the date of the filing of the Notice of Intention to Make a Proposal with the Official Receiver;
- (r) "**Date of the Proposal**" means April 12, 2018, the date that the Proposal was lodged with the Trustee;

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- (s) **"Debtor"** means 148;
- (t) **"DIP Charge"** shall mean the charge in favour of the DIP Lender as set out in the Charging Order;
- (u) **"DIP Lender"** shall mean Caruda Holdings Ltd.
- (v) **"DIP Remainder"** means the claim of DIP Lender against the Company, any amount not covered by the DIP Charge for any reason;
- (w) **"Employment Insurance Act"** means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (x) **"Excluded Claim"** any claim by any party who is the beneficiary of any charge created in the Charging Order, including the DIP Charge;
- (y) **"Implementation Date"** means the date upon which the conditions set forth in Article 7.4 have been satisfied;
- (z) **"Income Tax Act"** means *Income Tax Act*, R.S.C. 1985, c. I (5th Supp.), as amended;
- (aa) **"Inspectors"** means one or more inspectors appointed pursuant to the BIA as provided for in the Proposal;
- (bb) **"Official Receiver"** shall have the meaning ascribed thereto in the BIA;
- (cc) **"Ordinary Creditors"** means Creditors with Proven Claims, except for those Claims:
 - (i) that the Trustee determines not to be a provable claim in accordance with Section 135 (1.1) of the BIA;
 - (ii) that have been finally and conclusively disallowed in accordance with the BIA;
 - (iii) that are Claims by Preferred Creditors;
 - (iv) that are Claims by a Secured Creditor; or
 - (v) that are Claims in respect of an equity interest.
- (dd) **"Performance"** means full performance of this Proposal as set out in Article 6 paragraph 6.1 hereof;
- (ee) **"Person"** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted, including, without limitation, Canada Revenue Agency;
- (ff) **"Postponed Related Party Claims"** means those Claims of the Related Parties which will be postponed by the Related Parties as communicated by the related parties to the Creditors at the Creditors' Meeting and finalized on or before the Implementation Date.

(gg) "**Preferred Creditors**" means Creditors with Proven Claims that are proven and which are required by the BIA to be paid in priority to all other Claims under a proposal made by a debtor and including, without limitation:

- (i) employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) of the BIA if the Debtor became bankrupt on the Date of Filing, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period; and
- (ii) Her Majesty in Right of Canada or a Province for all amounts that were outstanding at the time of the filing of the notice of intention or of the Date of Filing and are of a kind that could be subject to a demand under:
 - (a) subsection 224(1.2) of the Income Tax Act;
 - (b) any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the Income Tax Act and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee's premium, or employer's premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts; or
 - (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Income Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
 - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Income Tax Act, or
 - (ii) is of the same nature as a contribution under the Canada Pension Plan if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

- (jj) "**Proposal Fund**" shall mean an amount equal to 100% of the Proven Claims (including any Proven Claim by a Related Party) to a maximum of \$6.7 million, which will be paid by the Proposal Trustee on behalf of the Debtor from the Sale Proceeds on the Implementation Date, plus any amount realized from the Avison Young Recovery realized thereafter;
- (kk) "**Proven Claim**" of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (ll) "**Related Party**" means Alain Checroune, Alain Checroune Realty Inc., and any Creditor related to the Debtor within the meaning of Section 4 of the BIA;
- (mm) "**Sale Proceeds**" are the unencumbered proceeds held by the Proposal Trustee from the sale of the property known municipally at 240 Duncan Mills Road, which property was sold on March 29th, 2018 in accordance with the Approval and Vesting Order of Justice Hainey dated March 16, 2018;
- (nn) "**Secured Creditor**" means any creditor holding a valid and perfected security interest against the Debtor;
- (oo) "**Trustee**" means Crowe Soberman Inc., or its duly appointed successor or successors;
- (pp) "**Unsecured Creditors**" means, collectively, the Preferred Creditors and the Ordinary Creditors; and
- (qq) "**Voting Letter**" shall mean the voting letter required by subsection 51(1) of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors' Meeting.

1.2 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In this Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

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1.5 Time

All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada, or in accordance with the Superintendent of Bankruptcy Directive #9R3.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2

CLASSIFICATION OF CREDITORS

2.1 Classes of Creditors

For the purposes of voting on the Proposal, only Unsecured Creditors will be entitled to vote on the Proposal. There shall be one class of Unsecured Creditors.

ARTICLE 3

TREATMENT OF CREDITORS

3.1 Secured Creditors

Secured Creditors shall be paid in accordance with the respective agreement(s) between each Secured Creditor and the Debtor or as otherwise agreed between said Secured Creditor and the Debtor. To the extent that there is insufficient Collateral to repay the secured indebtedness, the Secured Creditor will file the balance of its claim as an Unsecured Creditor and participate in this Proposal as same.

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3.2 Preferred Creditors

The Proven Claims of the Preferred Creditors are to be paid by the Trustee in full in priority to all the Proven Claims of Ordinary Creditors in accordance with the BIA and the Proposal.

3.3 Ordinary Creditors

The Ordinary Creditors with Proven Claims (including the Proven Claims of Related Parties) will be paid 100% of their Proven Claims from the Proposal Fund to a maximum of \$6.7 million, once the claims of Preferred Creditors are satisfied as provided for in this Proposal.

3.4 Related Parties

The Related Parties will advise the Proposal Trustee and the Creditors of the Claims they intend to postpone at the Creditors' Meeting. The Postponed Related Party Claims will not be paid or compromised in the Proposal.

The Related Party Claims which are not identified as Postponed Related Party Claims will be paid from the Proposal Fund as a Proven Claim on the same basis as the Proven Claims of the other Ordinary Creditors as set out in 3.3 above.

3.5 Claims Against Directors

Any Claims against the Debtor by any Creditor that are also Claims against the directors of the Debtor that relate to obligations of the Debtor where directors are under any law liable in their capacity as directors for the payment of such obligations shall be, and upon Court approval of this Proposal, are hereby, to the extent permitted by the Act, compromised and released and forever discharged as against the directors of the Debtor upon acceptance of this Proposal by the Creditors and approval by the Court.

ARTICLE 4

PROCEDURE FOR VALIDATION OF CLAIMS

4.1 Filing of Proofs of Claim

Each Creditor must file a Proof of Claim as required by the BIA to vote on, or receive a distribution under, the Proposal.

4.2 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the BIA. The procedure for valuing Claims of the Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA. In the event of any contingent claim against the Company arising out of existing litigation against the Company, the Proposal Trustee shall allow the Company and its counsel to defend such Claims, with input from the Proposal Trustee. The Company and/or the Trustee reserve the right to seek the assistance of the Court in valuing any Claim, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Creditor under the Proposal, as the case may be.

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4.3 Claims Bar Process

Forthwith after the Implementation Date, the Trustee shall give notice pursuant to s.149 of the BIA to every person with a claim the Trustee has notice or knowledge but whose claim has been filed or proved that if such person does not prove his claim within a period of thirty (30) days after the mailing of the notice ("Claims Bar Date"), the Trustee will proceed to declare a final dividend without regard to such person's claim; the dividend referred to in said notice shall be deemed a final dividend and any person so notified who does not provide his claim within the said thirty (30) days shall be barred from making a claim in this Proposal or sharing in any dividend hereunder, subject to any exceptions set out in Sections 149(2)(3) and (4) of the BIA.

ARTICLE 5

MEETING OF CREDITORS

5.1 Unsecured Creditors' Meeting

On the Creditors' Meeting Date, the Trustee shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon the Proposal.

5.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in its notice of meeting to be mailed pursuant to the BIA. All Proofs of Claim shall be delivered in accordance with the provisions of the Proposal, the BIA and any Order which may be issued by the Court in respect of the procedure governing the Creditors' Meeting.

5.3 Conduct of Meetings

The Proposal Trustee shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors, and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

5.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with Section 52 of the BIA.

5.5 Voting by Creditors

To the extent provided for herein, each Unsecured Creditor will be entitled to vote to the extent of the amount which is equal to that Creditor's Proven Claim. Any Proof of Claim in respect of a Claim that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with Section 108(3) of the BIA and may be valued by the Trustee at the meeting and voted in that amount.

5.6 Approval by Creditors

In order that the Proposal be binding on all of the Unsecured Creditors of the Debtor in accordance with the BIA, it must first be accepted by the Unsecured Creditors as prescribed by this Proposal by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditors' Meeting or by a Voting Letter.

ARTICLE 6

DISTRIBUTION OF PROCEEDS

6.1 Implementation of Proposal

- (a) After the Approval of the Proposal but prior to the Implementation Date, the Proposal Trustee shall pay any outstanding Administrative Fees and Expenses in full from the Sale Proceeds. In the event of any dispute as to the amount of such fees, the Proposal Trustee shall make a motion to the Court for approval and payment of said fees.
- (b) On the Business Day that is 10 Business Days after the Claims Bar Date or after the Payment of the Administrative Fees and Expenses, whichever is later, the Proposal Trustee, on behalf of the Debtor, will distribute their *pro rata* share of the Proposal Fund provided that no Affected Creditor shall be entitled to receive more than 100% of that Unsecured Creditor's Proven Claim.

Upon payment of the Proposal Proceeds to the Trustee, the Debtor's obligation under the Proposal shall be fully performed and the Trustee shall issue a certification of full performance to the Debtor in accordance with section s.65.3 of the BIA Payments to each Preferred and Ordinary Creditor shall be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA.

6.2 Payment of Administrative Fees and Expenses

Administrative Fees and Expenses of the Proposal Trustee include that of the Proposal Trustee's legal counsel's fees and disbursements, incurred at the standard rates and charges of the Proposal Trustee or its legal counsel.

Administrative Fees and Expenses shall be paid pursuant to section 60(2) of the Act. The Proposal Trustee shall be at liberty from time to time to apply reasonable amounts, out of the monies paid in the Proposal pursuant to Section 5, against its Administrative Fees and Expenses, and such amounts shall constitute advances against the Administrative Fees and Expenses when and as approved by the Court.

Notwithstanding the above, should the Proposal Trustee be required to perform work beyond that normally associated with a Proposal of this type, it shall be at liberty to seek creditors' approval for such incremental fees and disbursements as may be incurred.

- 10 -

If the Debtor should default on payment of the proposal amount in Section 5 hereof, the Trustee may, in absolute priority, call upon all funds accumulated in the Proposal to satisfy its proper Administrative Fees and Expenses.

6.3 Distribution to Preferred Creditors

The Preferred Creditors shall be paid in full the amount of the Proven Claim out of the Proposal Proceeds.

6.4 Distribution to Ordinary Creditors

The Ordinary Creditors with Proven Claims shall be paid their *pro rata* share of the remaining Proposal Fund, following payment of the Claims as described in paragraph 6.1, based on the proportion which the Proven Claim of such Ordinary Creditor bears to the aggregate amount of the Proven Claims of all Ordinary Creditors.

6.5 Operating Expenses

The Proposal Trustee shall fund the operating expenses of the Debtor from the Sale Proceeds up to an amount of \$200,000 per month pending the Implementation Date.

6.6 Proposal Default Fund

From the Proposal Fund, and prior to any distributions to any creditors in the administration, an amount of \$15,000 will be retained by the Trustee ("Proposal Default Fund"). The sole purpose of the Proposal Default Fund will be to fund an application to annul the Proposal in the event of default, which has not been remedied by the Debtor. Despite, a Certificate of Full Performance being issued to the Debtor, this provision of this Proposal will apply and the Proposal Default Fund will remain unavailable for distribution to the creditors in the estate until all the payments required under this Proposal have been made.

6.7 Discharge of Trustee

Upon payment by the Trustee of the amounts contemplated in this Article 6, the Trustee shall have discharged its duties as Trustee, the Trustee's obligation under its Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a wilful or wrongful act or default. In the event the Proposal Fund is found to be greater than the amount necessary to pay the Proven Claims in full, the balance of the Proposal Fund shall be returned to the Sale Proceeds.

ARTICLE 7

MISCELLANEOUS

7.1 Compromise Effective for all Purposes

The distributions contemplated hereunder will be binding upon each Creditor, other than Secured Creditors, a Creditor holding an Excluded Claim and Related Party Creditors holding a

- 11 -

Postponed Related Party Claim, their heirs, executors, administrators, successors and assigns, for all purposes.

7.2 Modification of Proposal

The Debtor or any Unsecured Creditor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

7.3 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Creditor, other than Secured Creditors and Related Party Creditors holding a Postponed Related Party Claim, their heirs, will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) to have released the Debtor, the Trustee and all of their respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein.

7.4 Conditions Precedent to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) acceptance of the Proposal by the Unsecured Creditors; and
- (b) payment of the Administrative Fees and Expenses in accordance with paragraph 6.1(a);

- 12 -

- (c) approval of the Proposal by the Court pursuant to a final Order and the expiry of ten (10) day appeal period under the BIA with no appeal having been filed within said ten (10) day period; and
- (d) payment by the Proposal Trustee of the Proposal Funds from the Sale Proceeds

7.5 Effect of Proposal Generally

As at 12:01 am. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Creditors, other than Secured Creditors and Related Party Creditors holding a Postponed Related Party Claim, their heirs, (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of such Claims. Sections 95 to 101 of the BIA shall not apply.

7.6 Notices

Any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier (except for Proofs of Claim which may only be sent by personal delivery, telecopier or registered mail) addressed to the respective parties as follows:

- (a) if to the Debtor:

1482241 Ontario Inc.

Attention : Mr. Alain Checroune

- (b) if to an Unsecured Creditor, to the address or telecopier number for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and

- (c) if to the Trustee:

Crowe Soberman LLP,
2 St. Clair Avenue East, Suite 1100
Toronto ON, M4T 2T5
Attention : Hans Rizarri

Telephone : 416-963-7175
Facsimile : (416) 929-2555
Email : hans.rizarri@crowesoberman.com

or to such other address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and

- 13 -

communications during such interruption may only be given or made by personal delivery or by telecopier and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by telecopier or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

7.7 Foreign Currency Obligations

For purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the closing spot rate of exchange of the Bank of Canada on the Date of Filing.

7.8 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

7.9 Non Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

7.10 Deeming Provisions

In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

DATED at the City of Toronto, in the Province of Ontario, this 3rd day of May, 2018

1482241 ONTARIO INC.

Per: _____

Alain Checchio

Court File No.: 31-2303814

IN THE MATTER OF THE PROPOSAL OF
1482241 ONTARIO INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)
(PROCEEDING COMMENCED AT TORONTO)

PROPOSAL

EXHIBIT G

This is Exhibit "G" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



*A Commissioner for Taking Oaths, Affidavits (or as may be) in
Ontario*

David Ullmann

Court File No. 31-2303814

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) FRIDAY, THE 20TH
)
JUSTICE HAINES) DAY OF APRIL, 2018
)

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

AMENDED ENDORSEMENT

Orders to go in the form signed by me with regard to the distributions to Cushman & Wakefield ULC, Colliers Macaulay Nicolls Inc., the Debtor, and in respect of post-filing disbursements relating to the management, administration and operation of the Duncan Mill Property.

With regard to the distribution to the Debtor, the Proposal Trustee is authorized to distribute the first \$100,000 immediately. The remaining sum up to \$100,000 may be distributed upon receiving a request from the Debtor accompanied by an accounting of that further request, acceptable to the Proposal Trustee.

The Debtor's rights, if any, to make a claim against Avison Young, are not impacted by this endorsement or the orders made today.

One hour hearing scheduled for May 18, 2018, to address the outstanding issues with regard to the payout to the first mortgagee. A scheduling appointment is set for May 18, 2018, to schedule a further motion to address the payout to the second mortgagee.

A handwritten signature in black ink, appearing to read "Haines J", is written over a horizontal line. The signature is fluid and cursive, with a large, stylized 'J' at the end.

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto

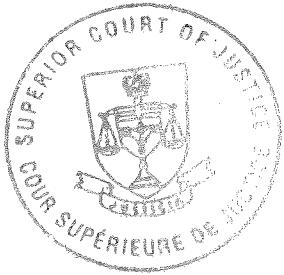
AMENDED ENDORSEMENT

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Miranda Spence (LSUC # 60621M)
Tel: (416) 865-3414
Fax: (416) 863-1515
Email: mspence@airdberlis.com

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Court File No. 31-2303814

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE)	FRIDAY, THE 20 TH
)	
JUSTICE HAINY)	DAY OF <u>APRIL</u> , 2018

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

AMENDED ORDER re DISTRIBUTIONS

THIS MOTION, made by Crowe Soberman Inc., in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of 1482241 Ontario Limited (the “**Debtor**”), for an order, *inter alia*, authorizing and directing the Proposal Trustee to distribute certain funds to Cushman & Wakefield ULC, the Debtor, and in respect of disbursements incurred in relation to the management and administration of the property located at 240 Duncan Mill Road, Toronto, Ontario (the “**Duncan Mill Property**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fifth Report of the Proposal Trustee dated April 13, 2018 (the “**Fifth Report**”) and the appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Miranda Spence sworn April 18, 2018, filed,

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

2. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, without further Order of this Court, to distribute amounts received from the proceeds of sale (the “**Sale Proceeds**”) of the Duncan Mill Property, as follows:

- (a) to Cushman & Wakefield ULC, pursuant to the invoice issued to the Proposal Trustee dated April 13, 2018, attached as Appendix D to the Fifth Report of the Proposal Trustee dated April 13, 2018 (the “**Fifth Report**”), in the amount of \$169,500.00 (inclusive of HST) and the further amount of \$169,500.00 (inclusive of HST) to Colliers Macaulay Nicolls Inc. (for a total amount of \$339,000);
- (b) to the Debtor, up to the maximum amount of \$200,000.00, to fund ongoing operations and expenses; and
- (c) to pay outstanding post-filing disbursements relating to the management, administration and operation of the Duncan Mill Property, including those listed in the schedule attached at Appendix F to the Fifth Report in the amount of \$235,961.00, together with such similar post-filing disbursements as may be submitted to and approved by the Proposal Trustee.

A handwritten signature in black ink, appearing to read "Hayley J.", is written over a horizontal line. The signature is fluid and cursive, with a distinct "J" at the end.

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto

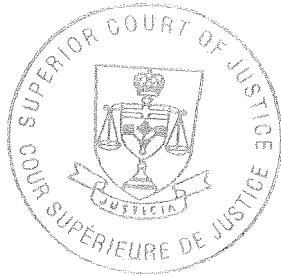
AMENDED ORDER re DISTRIBUTIONS

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Miranda Spence (LSUC # 60621M)
Tel: (416) 865-3414
Fax: (416) 863-1515
Email: mspence@airdberlis.com

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Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) FRIDAY, THE 20TH
JUSTICE HAINES)
JUSTICE HAINY) DAY OF APRIL, 2018

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

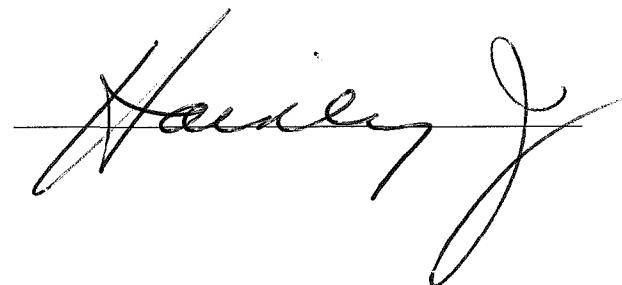
ORDER re FEE DISTRIBUTIONS

THIS MOTION, made by Crowe Soberman Inc., in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of 1482241 Ontario Limited (the “**Debtor**”), for an order, *inter alia*, (a) authorizing and directing the Proposal Trustee to distribute certain funds to Cushman & Wakefield ULC, Avison Young Real Estate Management Services Ontario Inc., and the Company; and (b) approving the fees and disbursements of the Proposal Trustee, the Proposal Trustee’s counsel, and the Debtor’s counsel, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fifth Report of the Proposal Trustee dated April 13, 2018 (the “**Fifth Report**”) and the appendices thereto, the fee affidavit of Hans Rizarri sworn April 13, 2018 (the “**Rizarri Affidavit**”), and the fee affidavit of Steven L. Graff sworn April 13, 2018 (the “**Graff Affidavit**”), and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor and such other counsel as were present, no one appearing for any other person on the

service list, although properly served as appears from the affidavit of service of Miranda Spence sworn April 18, 2018, filed,

1. **THIS COURT ORDERS** that the time for service of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee as described in the Fifth Report and as set out in the Rizarri Affidavit, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.
3. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's counsel as described in the Fifth Report and as set out in the Graff Affidavit, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.
4. **THIS COURT ORDERS** that the fees and disbursements of the Debtor's counsel as described in the Fifth Report, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.

A handwritten signature in black ink, appearing to read "Heather J.", is positioned in the lower right area of the page. The signature is fluid and cursive, with a distinctive loop on the right side.

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto

ORDER re DISTRIBUTIONS

AIRD & BERLIS LLP

Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)

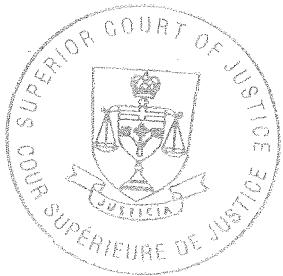
Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdbertilis.com

Miranda Spence (LSUC # 60621W)

Tel: (416) 865-3414
Fax: (416) 863-1515
Email: mspence@airdbertilis.com

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Court File No. 31-2303814



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE

)

FRIDAY, THE 20TH

JUSTICE HAINES

)

DAY OF APRIL, 2018

)

**IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

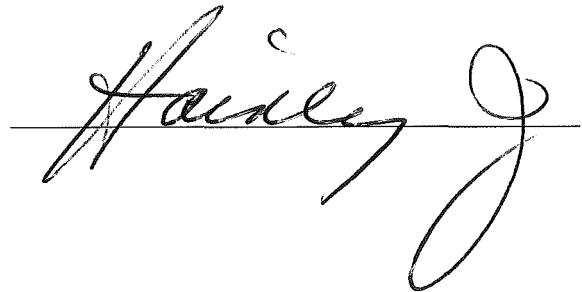
ORDER re DSF WRIT

THIS MOTION, made by Crowe Soberman Inc., in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of 1482241 Ontario Limited (the “**Debtor**”), for an order, *inter alia*, authorizing and directing the Proposal Trustee to distribute certain proceeds from the sale of the property located at 240 Duncan Mill Road, Toronto, Ontario (the “**Sale Proceeds**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the fourth report of the Proposal Trustee dated March 7, 2018 and the appendices thereto (the “**Fourth Report**”), the supplement to the Fourth Report dated March 15, 2018 and the appendices thereto, the second supplement to the Fourth Report dated March 22, 2018 and the appendices thereto, the affidavit of James Satin sworn March 26, 2018 and the exhibits thereto, the affidavit of Ellen Kent sworn March 26, 2018 and the exhibits thereto, and on hearing the submissions of counsel for the Proposal Trustee, counsel for the Debtor and such other counsel as were present, no one appearing for any other person on the service list, although

properly served as appears from the affidavits of service of Diana Saturno and Diana McMillen sworn March 8, 2018, filed,

1. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized, without further Order of this Court, to distribute the sum of \$125,000 to Devry Smith Frank LLP from the Sale Proceeds.

A handwritten signature in black ink, appearing to read "Hayley J.", is written over a horizontal line. The signature is fluid and cursive, with a large, stylized 'J' at the end.

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO

Court File No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY
Proceedings commenced at Toronto

ORDER re DSF WRIT

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Steven L. Graff (LSUC # 31871V)

Tel: (416) 865-7726
Fax: (416) 863-1515
Email: sgraff@airdberlis.com

Miranda Spence (LSUC # 60621M)

Tel: (416) 865-3414
Fax: (416) 863-1515
Email: mspence@airdberlis.com

EXHIBIT H

This is Exhibit "H" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



*A Commissioner for Taking Oaths, Affidavits (or as may be) in
Ontario*

David Ullmann

9:30 A.M.

H

COUNSEL SLIPCOURT FILE NO 31-2303814DATE MAY 18, 2018NO ON LIST 1 & 4

1482241 ONTARIO LIMITED)

TITLE OF
PROCEEDING

COUNSEL FOR:

PLAINTIFF(S)

D. Ullmann, A. Teodorescu
1482241 Ontario Limited

PHONE & FAX NOS

T 416 596-4289

F 416 593-2437

E dullmann@blaney.com

COUNSEL FOR:

PHONE & FAX NOS

DEFENDANT(S)

RESPONDENT(S)

M. Spence For
Proposal Trustee

T 416 865 3414

F 416 863 1515

E mspence@airalberta.com

(Mily Y. Fan
Creditor
(2nd Mortgagee)T. 416.601.2390
E. efan@lerners.caG. Benchetrit
For First MortgagorsT - (416) 218-1141
F - (416) 218-1841
E - george@
charters.com

May 18, 2018.

- ① The motions scheduled to be heard today regarding the payout to the first Mortgage is adjourned on consent to a date to be set with the Commercial List office;
- ② The motions regarding the payout to the second Mortgage shall be scheduled on June 12, 2018.;
- ③ My endorsement with respect to an addition to my Order of April 20, 2018 is attached.

Harley J

ENDORSEMENT

Further to the Order of April 20th, upon receiving a request from the Debtor accompanied by an accounting of that further request, acceptable to the Proposal Trustee, and following the Proposal Trustee, in each instance, having provided prior notice to the Service List of its intention to make payment, the Proposal Trustee ~~be and~~ is hereby authorized to distribute from the amounts received from the proceeds of sale of the Duncan Mill Property, to the Debtor, up to the maximum amount of \$200,000.00 per month, to fund ongoing operations and expenses.

If any party on
the service list objects to
the proposal Trustee
making a payment, the
party shall attend before
me before the Trustee
is authorized to make
any payment to the
debtor.

Hansley J

May 18, 2018.

EXHIBIT I

This is Exhibit "I" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



*A Commissioner for Taking Oaths, Affidavits (or as may be) in
Ontario*

David Ullmann



Miranda Spence
 Direct: 416.865.3414
 Email: mspence@airdberlis.com

May 23, 2018

VIA EMAIL (dullmann@blaney.com)

Blaney McMurtry LLP
 2 Queen Street East, Suite 1500
 Toronto, ON M5C 3G5

Attention: David T. Ullmann

Dear Mr. Ullmann:

RE: In the matter of the proposal of 1482241 Ontario Limited (the “Debtor”), bearing Court File No. 31-2303814 (the “Proposal Proceedings”)

AND RE: The sale of the real property municipally described as 240 Duncan Mill Road, Toronto, ON (the “Duncan Mill Property”)

We are in receipt of the Debtor’s request for operating funds in the amount of \$200,000.

As you are aware, on April 20, 2018, Justice Hainey approved a distribution of \$200,000 to the Debtor to fund ongoing operations and expenses. As part of his endorsement of the same date, Justice Hainey wrote as follows:

With regard to the distribution to the Debtor, the Proposal Trustee is authorized to distribute the first \$100,000 immediately. The remaining sum up to \$100,000 may be distributed upon receiving a request from the Debtor accompanied by an accounting of that further request, acceptable to the Proposal Trustee.

On April 24, 2018, we distributed the first \$100,000 to the Debtor by way of wire transfer. On April 26, 2018, Laxmi Mohabir wrote to Graeme Hamilton to request the second \$100,000 (the “**April 26 Request**”). In support of her request, Ms. Mohabir enclosed a schedule dated April 26, 2018, reflecting the Debtor’s anticipated expenses for May, June, and July (the “**April 26 Schedule**”).

On May 2, 2018, I wrote to you to raise certain questions and concerns regarding the April 26 Request. To date, we have not received answers to those questions. Nevertheless, the Proposal Trustee was satisfied that the April 26 Schedule reflected a need for \$100,000, and we disbursed that amount by way of wire transfers sent on May 7, 2018, and May 9, 2018, in the amount of \$50,000 each.

During the week of May 14, 2018, you advised me that the Debtor would be making a further request for operating funds. On May 17, 2018, you sent me a second copy of the same April 26 Schedule, and advised that the Company’s request for operating funds was based on this schedule.

On May 18, 2018, Justice Hainey issued an endorsement which provides as follows:

Further to my Order of April 20th, upon receiving a request from the Debtor accompanied by an accounting of that further request, acceptable to the Proposal Trustee, and following the Proposal Trustee, in each instance, having provided prior notice to the Service List of its intention to make payment, the Proposal Trustee is hereby authorized to distribute from the amounts received from the proceeds of sale of the Duncan Mill Property, to the Debtor, up to the maximum of \$200,000.00 per month, to fund ongoing operations and expenses. If any party on the service list objects to the Proposal Trustee making a payment, the parties shall attend before me before the Trustee is authorized to make any payment to the Debtor.

The Proposal Trustee has therefore been expressly empowered by the Court to review and consider the Debtor's requests for operating funds, prior to advising the Service List of its intention to distribute such funds to the Debtor. As an officer of the Court, the Proposal Trustee takes its role in this regard seriously. The Proposal Trustee must ensure that it has sufficient documentary evidence supporting the Debtor's requests before recommending any distribution.

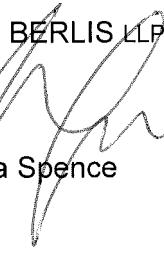
Having regard for all of the foregoing, we make the following comments:

- (a) the Debtor has already received the sum of \$100,000 on the basis of the April 26 Schedule. Accordingly, in order for the Proposal Trustee to consider any further requests made on the basis of the April 26 Schedule, the Debtor must provide the Proposal Trustee with an accounting of how the funds received were applied to the categories set out in the April 26 Schedule. In the circumstances, we request bank statements reflecting the applicable disbursements. To the extent that funds may have been applied to payments other than those set out in the April 26 Schedule, the Proposal Trustee will take this into consideration in assessing the Debtor's further requests; and
- (b) the Debtor has yet to formally answer the questions I raised in my letter of May 2, 2018. In light of the Debtor having now made a second request for funding on the basis of the same April 26 Schedule, we require answers to those questions before recommending that any further operating funds be disbursed.

Should you wish to discuss any of the foregoing, please do not hesitate to contact me.

Yours very truly,

AIRD & BERLIS LLP

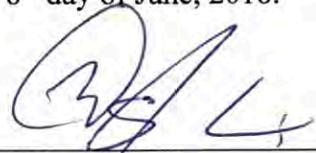


Miranda Spence
MS/

cc: Steve Graff, Hans Rizarri, Graeme Hamilton

EXHIBIT J

This is Exhibit "J" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



*A Commissioner for Taking Oaths, Affidavits (or as may be) in
Ontario*

David Ullmann

From: Miranda Spence [<mailto:mspence@airdberlis.com>]
Sent: May-30-18 2:59 PM
To: David T. Ullmann; Graeme Hamilton
Cc: Hans Rizarri - Crowe Soberman Inc. (Hans.Rizarri@CroweSoberman.com); Steve Graff
Subject: RE: Colliers paid and expenses for May and June

David, we wrote you a lengthy letter as to what we need to see in order to consider and approve any further request for operating expenses. We have not yet received any new information. Please provide this to us if you are seeking a further distribution.

Thanks.

Miranda Spence
Aird & Berlis LLP

T 416.865.3414
E mspence@airdberlis.com

This email is intended only for the individual or entity named in the message. Please let us know if you have received this email in error. If you did receive this email in error, the information in this email may be confidential and must not be disclosed to anyone.

From: David T. Ullmann [<mailto:DULLmann@blaney.com>]
Sent: May-30-18 2:42 PM
To: Graeme Hamilton <graeme.hamilton@crowesoberman.com>
Cc: Miranda Spence <mspence@airdberlis.com>; Hans Rizarri - Crowe Soberman Inc. (Hans.Rizarri@CroweSoberman.com) <Hans.Rizarri@CroweSoberman.com>
Subject: Colliers paid and expenses for May and June

Graeme,

You said earlier today when we met following our other matter that you understood that all the payments have been made with respect to the Avison Young payments authorized under the April 20th order. Can you please confirm that, among other, Colliers have been paid their commission. I understand it is in the amount of \$27,000 or something like that.

In addition, I have raised with you the immediate issue of the funding due to the company for expenses in May and the expenses pending for June. I understand that you have to speak to your counsel, given that we discussed this only informally and in her absence. Can we have a call tomorrow morning to discuss this? At the very least, there should be funds made available for June. Given that I understand from the court order you will want to notify the service list of your

intended payment, I would like to an understanding of what the trustee is prepared to release for May and June. As you are aware, it is the position of the company that it has only received a total of \$100,000 since April 20th which was applicable to the April and May payments owing. As discussed, there was a net surplus in April from that first \$100,000 of approximately \$13,000 to be applied to amounts due for May. From that perspective, there are substantial arrears owing to the company which are necessary for operations, which has previously been provided to you. The company continues to rely on funds from the principals to fund those costs in the interim, which is inappropriate.

Regards,

David



David T. Ullmann

Partner

dullmann@blaney.com

416-596-4289 | 416-594-2437

Blaney.com



This communication is intended only for the party to whom it is addressed, and may contain information which is privileged or confidential. Any other delivery, distribution, copying or disclosure is strictly prohibited and is not a waiver of privilege or confidentiality. If you have received this telecommunication in error, please notify the sender immediately by return electronic mail and destroy the message.

EXHIBIT K

This is Exhibit "K" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



*A Commissioner for Taking Oaths, Affidavits (or as may be) in
Ontario*

David Ullmann



Revenue Services
Box 6000
Toronto, ON M2N 5V3

110
Toronto Water &
Solid Waste Management Services

Utility Bill

Summary

Summary of charges as of April 12, 2018

Payments received after April 12, 2018 are not reflected.

RECEIVED

APR 20 2018

Previous Balance:

\$5,021.90

Payment(s) received since Mar 08, 2018:

\$0.00

Total Adjustments (See "Summary of Total Adjustments" below)

\$264.19

Balance:

\$5,286.09

Current Billing

Water/Sewer Services:

\$5,852.61

Solid Waste Management Services:

\$0.00

Total

\$11,138.70

Amount Due if paid before May 07, 2018 *

\$10,846.19

*Includes an early payment discount of \$292.51

Page 1 of 2

Account No.:
000162649

Client No.:
001050267 00

Service Address:
240 DUNCAN MILL RD

Property Owner:
1482241 ONTARIO LIMITED

Accessible Bill Formats:
See message on reverse.



Water/Sewer Services

Total Water/Sewer Services - Current Billing **\$5,852.61**

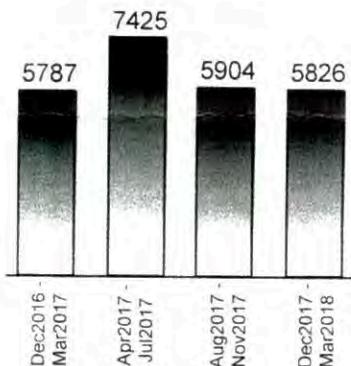
Please see below for details:



Solid Waste Management Services

Total Solid Waste Management Services - Current Billing **\$0.00**

Water Consumption History
(Cubic Metres m³)



Effective January 1, 2018 Toronto City Council approved a 5.0% water rate increase and the following increases to solid waste management rates: multi-residential by 1%, single family by 2% and all other categories by 5.2%. For more information please visit our website at www.toronto.ca/utilitybill



Box 6000 Toronto ON M2N 5V3

OVERDUE NOTICE

000162649 001050267 00

Account No. Client No.

240 DUNCAN MILL RD

Service Address

Overdue Amount

\$5,286.09

Original Due Date

Apr 03, 2018

Notice Date

Apr 18, 2018

Amount Paid

000082

1482241 ONTARIO LIMITED
802-240 DUNCAN MILL RD
TORONTO ON M3B 3S6

Please KEEP this portion
with your records

Property Owner

1482241 ONTARIO LIMITED

Message Centre

Please pay the amount shown on this notice promptly to avoid additional charges



Box 6000 Toronto ON M2N 5V3

TORONTO WATER & SOLID WASTE MANAGEMENT

000162649 001050267 00

Account No. Client No.

240 DUNCAN MILL RD

Service Address

Overdue Amount

\$5,286.09

Original Due Date

Apr 03, 2018

Notice Date

Apr 18, 2018

Amount Paid

1482241 ONTARIO LIMITED
802-240 DUNCAN MILL RD
TORONTO ON M3B 3S6

Please RETURN this portion
with your payment

00016264900105026700 030420186 005286091 005286091

1015720000

96



Box 6000, Toronto ON M2N 5S1

TRANSFER TO TAX NOTICE

000162649 001050267 00

Account No Client No

240 DUNCAN MILL RD

Service Address

Jun 01, 2018

Transfer Date

Overdue Amount

\$5,286.09

Original Due Date

Apr 03, 2018

Notice Date

May 02, 2018

Amount Paid

000053

1482241 ONTARIO LIMITED
802-240 DUNCAN MILL RD
TORONTO ON M3B 3S6

Please KEEP this portion
for your records

Property Owner

Message Centre

Outstanding water charges & solid waste fees remaining unpaid after the "Transfer Date" above will be transferred to the property tax account, and a fee of \$38.46 will apply, in accordance with City of Toronto Municipal Code Chapter 441. Any owner/agent agreements respecting utility bill mailings will be terminated, and all future bills and notices will be mailed to the assessed property owner.



Box 6000, Toronto ON M2N 5S1

TORONTO WATER & SOLID WASTE MANAGEMENT

000162649 001050267 00

Account No Client No

240 DUNCAN MILL RD

Service Address

Jun 01, 2018

Transfer Date

Overdue Amount

\$5,286.09

Original Due Date

Apr 03, 2018

Notice Date

May 02, 2018

Amount Paid

1482241 ONTARIO LIMITED
802-240 DUNCAN MILL RD
TORONTO ON M3B 3S6

Please RETURN this portion
with your payment

00016264900105026700 030420186 005286091 005286091

101572009001

96



1482241 ONTARIO INC
 CROWE SOBERMAN TRUSTEE 1482241 ONT INC
 2 ST CLAIR AVE EAST
 SUITE 1100
 TORONTO ON M4T 2T5

Bill Date
 May 15, 2018

Account Number
 17 01 52 13475 3

Billing Period
 Mar 27, 2018 - Mar 29, 2018

Service Address
 240 DUNCAN MILL RD
 NORTH YORK ON M3B 3R6

Bill Number
 672002428362



enbridgegas.com



Contact Us

Enbridge Gas Distribution Inc.
 EMERGENCY, SUCH AS THE SMELL OF
 GAS: 1-866-763-5427

For all other Enbridge Inquiries:
 Call: 1-877-362-7434
 Mail: PO Box 650, Scarborough
 ON, M1K 5E3

**Messages From
 Enbridge**

All payments made to Enbridge are accepted under the express condition that the Company may demand payment of account deficiencies irrespective of any conditions attached to the payment by the customer.

During the past year you have maintained a credit rating of Good
 Final Invoice

Make Payments to: PO Box 644
 Scarborough ON M1K 5H1



Summary of All Charges (Taxes Included)

Balance from previous bill	\$34,381.52
Payment Received	0.00
Balance forward & past due	\$34,381.52
Charges for Natural Gas	15,441.19 <small>CR</small>
Other Enbridge Charges	0.00

Amount due now **\$18,940.33**

Late payment effective date* **Jun 04, 2018**



Bill Date
May 15, 2018

Billing Period
Mar 27, 2018 - Mar 29, 2018

Page 2 of 3



Charges For Natural Gas

Mar 27, 2018 - Mar 29, 2018

RATE 6

Customer Charge	\$7.00
Delivery to You	980.63
Transportation to Enbridge	592.98
Gas Supply Charge	1,103.51
Cost Adjustment	44.47

\$2,728.59

Reversal of previously billed charges
Apr 2018

16,393.35 CR

Charges for Natural Gas
HST (Registration 105205140 RT0001)

\$13,664.76 CR+HST
1,776.43 CR

Total Charges for Natural Gas

\$15,441.19CR



Other Enbridge Charges

Late Payment Charge

\$234.34

Adjustment to Late Payment Charge

234.34 CR

Total Other Enbridge Charges

\$0.00



Meter Reading Information

Meter Number	953612
Estimated Reading	Mar 29,18
Previous Reading	Mar 27,18
Gas used this period	3851CCF=10884m ³
PEF Value	1.00230
Adjusted m ³	10909

Your bill is based on either actual metered consumption or estimated consumption.

'Delivery to You' includes applicable cap and trade charges. [Enbridgegas.com/capandtrade](http://enbridgegas.com/capandtrade)



Natural Gas Supply Information

Natural gas supplied by Enbridge	
Your gas supply rate	10.1156¢/m ³
Gas cost adjustment	0.549¢/m ³
Jan 01/18-Mar 31/18	
Total effective gas supply rate	10.6646¢/m ³

*Your bill is due when you receive it, which is considered to be three days after the bill date. If you do not pay your bill in full by the late payment effective date on the first page of your bill, an Ontario Energy Board-approval late charge equal to 1.5% per month or 18% per year (for an effective rate of 19.56% per year) multiplied by a total of all unpaid Enbridge charges will be added to your bill. A late payment charge, calculated and assessed in the same manner, will also be added to your bill if full payment for all other charges on your bill is not received by the late payment effective date on the first page of your bill.

E. & O. E.



Life Takes Energy

Service Address

240 DUNCAN MILL RD
NORTH YORK ON M3B 3R6

1482241 ONTARIO INC
CROWE SOBERMAN TRUSTEE 1482241 ONT INC
2 ST CLAIR AVE EAST
SUITE 1100
TORONTO ON M4T 2T5

Account number	17 01 52 13475 3
Amount due now	\$18,940.33
Late payment effective date*	Jun 04, 2018
Amount paid	

1701521347530018940330018940331806041



Lite Takes Energy

Page 1 of 3

1482241 ONTARIO INC
240 DUNCAN MILL RD
SUITE 802
NORTH YORK ON M3B3S5

March 27 - March 29
1482241
after - AZDM.

Bill Date
May 01, 2018

Account Number
17 01 52 13475 3

Billing Period
Mar 27, 2018 - Apr 24, 2018

Service Address
240 DUNCAN MILL RD
NORTH YORK ON M3B 3R6

Bill Number
102000212314



Summary of All Charges (Taxes Included)

Balance from previous bill	\$15,622.69
Payment Received	0.00
Balance forward & past due	\$15,622.69
Charges for Natural Gas	18,524.49
Late Payment Charge	234.34

Amount due now **\$34,381.52**

Late payment effective date* **May 22, 2018**



enbridgegas.com



Contact Us

Enbridge Gas Distribution Inc.

EMERGENCY, SUCH AS THE SMELL OF
GAS: 1-866-763-5427

For all other Enbridge Inquiries:

Call: 1-877-362-7434
Mail: PO Box 650, Scarborough
ON, M1K 5E3



Messages From Enbridge

All payments made to Enbridge are accepted under the express condition that the Company may demand payment of account deficiencies irrespective of any conditions attached to the payment by the customer.

IMPORTANT NOTICE

GAS RATES HAVE CHANGED

Please see the enclosed notice for further details.

Make Payments to: PO Box 644
Scarborough ON M1K 5H1

At the time that this bill was printed, there were arrears on your account well past their due date. Please pay the balance forward immediately in order to avoid further collection actions or call Enbridge to discuss payment arrangement options.



Bill Date
May 01, 2018

Billing Period
Mar 27, 2018 - Apr 24, 2018

Page 2 of 3



Charges For Natural Gas

Mar 27, 2018 - Apr 24, 2018

RATE 6	
Customer Charge	\$70.00
Delivery to You	6,239.23
Transportation to Enbridge	3,403.24
Gas Supply Charge	6,697.19
Cost Adjustment	16.31 CR
Charges for Natural Gas	\$16,393.35 +HST
HST (Registration 105205140 RT0001)	2,131.14
Total Charges for Natural Gas	\$18,524.49



Meter Reading Information

Meter Number	953612
Actual Reading	Apr 24,18
Previous Reading	Mar 27,18
Gas used this period	24697CCF=69799m ³
PEF Value	1.00230
Adjusted m ³	69959

Your bill is based on either actual metered consumption or estimated consumption.

'Delivery to You' includes applicable cap and trade charges. Enbridgegas.com/capandtrade

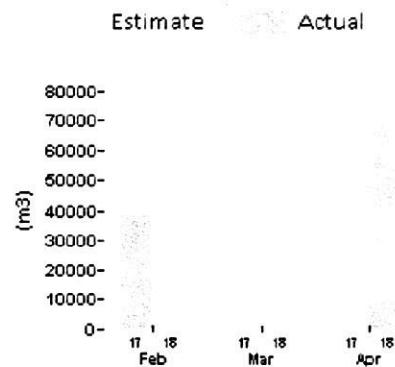


Natural Gas Supply Information

Natural gas supplied by Enbridge	
Your gas supply rate	9.4665¢/m ³
Gas cost adjustment	0.2169-¢/m ³
Apr 01/18-Mar 31/19	
Total effective gas supply rate	9.2496¢/m ³



Comparing Your Gas Consumption



Compared to the same month last year, you have used 488% more natural gas and it has been 54% colder.

2017 (Jan 2017 - Apr 2017): 108413m³
2018 (Jan 2018 - Apr 2018): 158440m³

*Your bill is due when you receive it, which is considered to be three days after the bill date. If you do not pay your bill in full by the late payment effective date on the first page of your bill, an Ontario Energy Board-approval late charge equal to 1.5% per month or 18% per year (for an effective rate of 19.56% per year) multiplied by a total of all unpaid Enbridge charges will be added to your bill. A late payment charge, calculated and assessed in the same manner, will also be added to your bill if full payment for all other charges on your bill is not received by the late payment effective date on the first page of your bill.

E. & O. E.



Life Takes Energy

Service Address

240 DUNCAN MILL RD
NORTH YORK ON M3B 3R6

1482241 ONTARIO INC
240 DUNCAN MILL RD
SUITE 802
NORTH YORK ON M3B3S5

Account number	17 01 52 13475 3
Amount due now	\$34,381.52
Late payment effective date*	May 22, 2018
<hr/>	
Amount paid	

1701521347530034381520034381521805221

110

Toronto Hydro-Electric System Limited
YOUR ELECTRICITY BILL



Account Number
8374376285

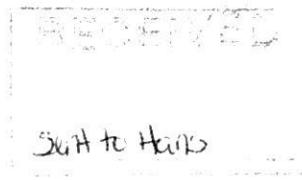
To be used for payments

Meter Number
20005305

1482241 ONTARIO LIMITED
240 DUNCAN MILL RD, STE 802
TORONTO ON M3B 3S6

Premise number
0490301115

Bill Post Date 04/11/18



Statement Date	Apr 10 2018
Amount Due	\$64,845.07
Due Date	Apr 30 2018
Amount Paid	416.542.8000

www.torontohydro.com

Interest will be charged on any amount not received by the due date at the rate of 1.5% compounded monthly (19.56 % per annum) from the due date until receipt of such amount and all accrued interest

Page **1 / 2**

Service Location: 240 DUNCAN MILL RD, NORTH YORK

Your Electricity Charges

Electricity

Electricity distributed by TORONTO HYDRO

204,579.358 kWh at \$0.01607 per kWh **3,287.59**

Global Adjustment

204,579.358 kWh at \$0.0778 per kWh **15,916.27**

Read Date **2018-04-10** kwh Usage

Delivery

Customer Charges **51.80**

Distribution Charges **2,680.21**

Transmission Connection Charge

417.060 kW at \$2.0515 per kW per 30 Days **855.60**

Transmission Network Charge

417.060 kW at \$2.569 per kW per 30 Days **1,071.43**

23 MAR 18	197,166
23 FEB 18	224,801
23 JAN 18	225,094
23 DEC 17	194,095
23 NOV 17	184,631
23 OCT 17	55,956

kwh/day 0 2000 4000 6000 8000 10000 12000

Regulatory Charges

Standard Supply Service Administrative Charge
at \$0.25 per 30 Days **0.23**

Wholesale Market Service Charge
204,579.358 kWh at \$0.0039 per kWh **797.86**

The Debt Retirement Charge is ending March 31, 2018.

Electricity consumed after April 1 is no longer subject
to the Debt Retirement Charge.

Debt Retirement Charge

197,165.920 kWhs at \$0.007 per kWh **1,380.16**

Your Total Electricity Charges

26,041.15

Your electricity usage

Meter Number	Meter Reading Period	Number of Days	Unit Self-Contained	kWh Used	Loss Factor Adjustment	Adjusted kWh Used				
20005305	FEB 23 2018 TO MAR 23 2018	28	1	197165.919	1.0376	204579.358				
				Peak kW 7-7	Adj. Peak kW 7-7	Demand kW	Demand kVA	Metering Adj.	Adj. kW	Adj. kVA
				446.849	417.059	446.849	469.799	1	417.059	438.479

Other Charges/Credits

Late Payment Charge **368.33**

Total for Other Charges/Credits **368.33**

“ Toronto Hydro-Electric System Limited
YOUR ELECTRICITY BILL



Page 2 / 2

Account Number

8374376285 0490301115

H.S.T. (H.S.T. Registration 896718327RT0001) 3,385.35

Your Previous Charges

Amount of last bill 76,527.55

Payment Received Mar 21 2018 - Thank You 41,477.31CR

Balance Forward 35,050.24

Total Amount Due by Apr 30 2018 \$64,845.07

Toronto Hydro-Electric System Limited
YOUR ELECTRICITY BILL



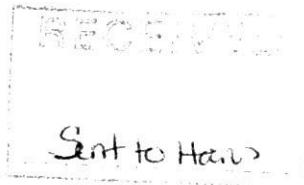
Account Number
8374376285
To be used for payments

Meter Number
20005305

1482241 ONTARIO LIMITED
240 DUNCAN MILL RD, STE 802
TORONTO ON M3B 3S6

Premise number
0490301115

Bill Print Date 041418



Service Location: 240 DUNCAN MILL RD, NORTH YORK
Your Electricity Charges **** Final Bill ****

Electricity

Electricity distributed by TORONTO HYDRO

34,958.766 kWh at \$0.01665 per kWh	582.06
Global Adjustment	
34,958.766 kWh at \$0.07877 per kWh	2,753.70

Delivery

Customer Charges	9.25
Distribution Charges	475.83
Transmission Connection Charge	
73.688 kW at \$2.0515 per kW per 30 Days	151.17
Transmission Network Charge	
73.688 kW at \$2.569 per kW per 30 Days	189.30

Regulatory Charges

Standard Supply Service Administrative Charge at \$0.25 per 30 Days	0.04
Wholesale Market Service Charge	
34,958.766 kWh at \$0.0039 per kWh	136.34

Debt Retirement Charge

33,691.949 kWhs at \$0.007 per kWh	235.84
------------------------------------	--------

Your Total Electricity Charges **4,533.53**

Your electricity usage

Meter Number	Meter Reading Period	Number of Days	Unit Self-Contained	kWh Used	Loss Factor Adjustment	Adjusted kWh Used
20005305	MAR 23 2018 TO MAR 28 2018	5	1	33691.949	1.0376	34958.766

Peak kW 7-7	Adj. Peak kW 7-7	Demand kW	Demand kVA	Metering Adj.	Adj. kW	Adj. kVA
442.124	73.687	442.124	465.749	1	73.687	77.625

Other Charges/Credits

Late Payment Charge	52.58
---------------------	-------

Total for Other Charges/Credits **52.58**

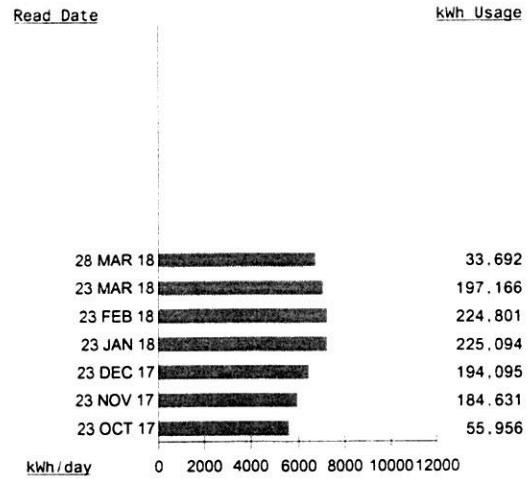
Statement Date	Apr 13 2018
Amount Due	\$70,020.54
Due Date	May 03 2018
Amount Paid	416.542.8000

www.torontohydro.com

Interest will be charged on any amount not received by the due date at the rate of 1.5% compounded monthly (19.56 % per annum) from the due date until receipt of such amount and all accrued interest

Page **1 / 2**

Compare your daily usage



The Debt Retirement Charge is ending March 31, 2018.

Electricity consumed after April 1 is no longer subject to the Debt Retirement Charge.

Toronto Hydro-Electric System Limited
YOUR ELECTRICITY BILL



Account Number

8374376285 0490301115

Page **2 / 2**

H.S.T. (H.S.T. Registration 896718327RT0001)	589.36
Your Previous Charges	
Amount of last bill	64,845.07
Payment Received	0.00
Balance Forward	64,845.07
Total Amount Due by May 03 2018	\$70,020.54

EXHIBIT L

This is Exhibit "L" referred to in the Affidavit of Alain Checroune
sworn before me this 8th day of June, 2018.



*A Commissioner for Taking Oaths, Affidavits (or as may be) in
Ontario*

David Ullmann

File # 31-2303814

**In the matter of the proposal of
1482241 ONTARIO LIMITED
of the City of Toronto
in the Province of Ontario**

MINUTES OF THE FIRST MEETING OF CREDITORS

1. Minutes of the First Meeting of Creditors of 1482241 Ontario Limited (the "Debtor") held at 2 St. Clair Avenue East, 11th Floor, Toronto, Ontario, under the Chair of Hans Rizarri (the "Chairperson") on May 4, 2018 at 2:00 pm. Graeme Hamilton volunteered to act as Secretary for the meeting.
2. Present were: Representing:

Hans Rizarri	Proposal Trustee
Graeme Hamilton	Proposal Trustee
Julia Reznichenko	Proposal Trustee
Miranda Spence	Proposal Trustee's Counsel
Alain Checroune	1482241 Ontario Limited
David Ullmann	Counsel for Debtor
Jessica Wuthmann	Counsel for Debtor
Andy Degan	Caruda Holdings
Jaquelyn Laland	Caruda Holdings
Craig Mills	N. Alunadi & J. Hussaini
Kavi Sivasthy	Gowling WLG LLP
David Kaplan	North York Family Physician
Larry Keown (via telephone)	Devry Smith Frank LLP
3. The meeting was called to order at 2:00 pm, and immediately adjourned for approximately 3 hours to allow the Proposal Trustee to review the filed proofs of claim, and for discussions to occur between the parties in attendance on other matters as further noted below. The meeting reconvened at 5:00pm.
4. The Chairperson tabled the following documents:
 - (a) Claims Register as at May 4, 2018
 - (b) Supplemental Report to the Trustee's Initial Report to Creditors on the Proposal dated May 2, 2018
 - (c) Amended Proposal of the Debtor submitted on May 3, 2018
 - (d) Draft Interim Statement of Receipts and Disbursements dated May 4, 2018
5. The following documents were made available for review by interested parties:

- (a) Affidavit of the mailing of the Notice calling the First Meeting of Creditors
- (b) Notification to the director of the Debtor to attend the meeting
- (c) Certificate of Appointment of the Trustee

6. As reflected on the Claims Register, 16 claims were filed, 8 creditors were present in person or via proxy, and the Trustee held 1 proxy.

7. The Chairperson declared that there were 8 creditors present or represented by proxy, that there was a quorum, and that the meeting having been properly called, was competent to carry on business.

8. The Chairperson outlined his authority under Section 51(3) of the *Bankruptcy and Insolvency Act (BIA)*.

9. As noted on the Certificate of Appointment, the Trustee has been appointed as Chairman.

10. The Chairperson described the purpose of the meeting, as follows:

- (a) to consider the Proposal Trustee's recommendation that the meeting be adjourned; and
- (b) if the meeting is not adjourned, to consider and vote on the Proposal filed by the Debtor, as amended.

11. The Chairperson presented the Agenda of the meeting, as follows:

- (a) Discussion regarding filed claims
- (b) Request by the Proposal Trustee for an adjournment of the meeting
- (c) Amendments to the Proposal
- (d) Vote on Proposal
- (e) The appointment of inspectors (if requested or required)
- (f) Closing / Adjournment of the meeting.

REVIEW OF CLAIMS REGISTER

Disputed Claims

12. The Proposal Trustee advised the creditors in attendance that the Debtor objected to certain claims. The Debtor advised that it would be seeking to have the claims

reviewed and/or would commence disallowance proceedings. The disputed claims are as follows (collectively, the “**Disputed Claims**”):

- (a) Devry Smith Frank LLP- \$128,153.49
- (b) Gowling WLG- \$401,284.89
- (c) YYZ Plumbing- \$17,960.20
- (d) North York Family Physician Holdings Inc.- \$46,442.42

13. The Proposal Trustee advised that, in accordance with section 108(3) of the *Bankruptcy and Insolvency Act* (the “**BIA**”), those creditors holding Disputed Claims will be permitted to vote the full value of their respective claims at the meeting, subject to those votes later being declared invalid in the event of the Debtor’s objection(s) to the Disputed Claims being sustained.

Claims by Related Parties (Disputed by the Debtor)

14. Caruda Holdings filed two proofs of claim, as follows (together, the “**Caruda Claims**”):

- (a) Caruda Holdings- \$1,318,321.64
- (b) Caruda Holdings- \$136,588.65

15. The Proposal Trustee is of the present view that Caruda Holdings did not deal with the Debtor at arm’s length in the year preceding the initial bankruptcy event. Caruda Holdings is a business name registered to 2294642 Ontario Inc. The Proposal Trustee has obtained searches from the Ministry of Government Services indicating that Alain Checroune, the principal of the Debtor, was a director and officer of 2294642 Ontario Inc. up until March 19, 2018. Accordingly, the Proposal Trustee advised that Caruda Holdings will be permitted to vote the Caruda Claims, but that such votes may *not* determine the outcome of any vote held at the meeting, in accordance with section 109(6) of the BIA.

Claims by Related Parties (Not Disputed)

16. The Proposal Trustee advised that the following claims were filed by an officer or director of the Debtor, and/or a related corporation to the Debtor (together, the “**Related Party Claims**”):

- (a) A. Checroune Realty Corporation- \$553,015.98
- (b) Alain Checroune- \$4,350,000.00

17. Accordingly, the creditors holding the Related Party Claims are subject to the restrictions on voting applicable to such creditors, as set out in the BIA and Directive 22R.

Postponed Claims

18. Counsel for the Debtor advised the meeting that the principal of the Debtor has agreed to voluntarily postpone the following claims, but that the postponement will not apply in the case of a bankruptcy (together, the "Postponed Claims"):
 - (a) Alain Checroune- \$12,000,000.00
 - (b) Alain Checroune- \$1,440,000.00
19. Mr. Checroune has signed a document formally agreeing to postpone the Postponed Claims.

Contingent Claims

20. The Proposal Trustee advised the creditors in attendance that Neelofar Ahmadi submitted an unsecured claim in the amount of \$45,000,000.00, based on an alleged debt that is subject to litigation involving the Debtor (the "Ahmadi Claim"). It is accordingly an unliquidated claim. For the purpose of voting, the Chairperson announced that the Ahmadi Claim will be valued at \$1.00.

PROPOSAL TRUSTEE'S REQUEST FOR AN ADJOURNMENT

21. The Proposal Trustee previously circulated and tabled a supplemental report on the Proposal dated May 2, 2018 (the "Supplemental Report") which outlined the receipt of two separate Proofs of Claim (Property) from the Hussaini Group. The Proposal Trustee advised that the final determination of those claims may impact the distribution available to unsecured creditors.
22. Accordingly, in the Supplemental Report, the Proposal Trustee advised that it intended to propose an adjournment of the meeting in order to permit counsel for the Debtor and the Hussaini Group to attend at Court to seek the appropriate direction.
23. Following discussions between the affected parties, the Proposal Trustee determined that it would be possible to seek the appropriate direction from the Court on the motion for approval of the Proposal. Accordingly, the Proposal Trustee did not move for an adjournment of the meeting.

AMENDMENTS TO PROPOSAL:

24. The Proposal Trustee tabled an Amended Proposal that was submitted by the Debtor on May 3, 2018. The majority of changes contained in the Amended

Proposal were of a grammatical nature. The only substantive change is the removal of Caruda Holdings as an enumerated "Related Party", as the Debtor asserts that Caruda Holdings is not a related party within the meaning of the BIA. The Debtor's characterization of Caruda Holdings within the Amended Proposal is not determinative of whether it is in fact a related company.

25. The Proposal Trustee determined that the changes reflected in the Amended Proposal would not have any impact on the vote. Accordingly, the Proposal Trustee permitted the vote on the Amended Proposal to proceed.

VOTE ON DIVISION I PROPOSAL

26. Toronto Hydro Electric Systems Limited moved, by proxy, to hold a vote on the Amended Proposal. The motion was seconded by Gowling WLG LLP and passed.
27. The Trustee recorded the results as follows: (Voting Registry Attached as *Schedule "B"*).
 - (a) 4 Votes For*- \$729,372.91 (94%)
 - (b) 2 Votes Against -\$46,442.42 (6%)

* The votes of Caruda Holdings are recorded as votes in favour of the Proposal, but have no value assigned to them for voting purposes.

28. The Chairman declared that the Proposal is APPROVED. The Chairman declared that the Proposal had been accepted by the required majority of creditors both in dollar value and by votes.

APPOINTMENT OF INSPECTORS

29. The Proposal Trustee asked the creditors in attendance if any wanted to volunteer to act as inspectors. Counsel for the Debtor advised that the Proposal did not call for the appointment of inspectors.

CLOSING / ADJOURNMENT OF MEETING

30. As there was no further business, Toronto Hydro Electric-Systems Limited moved that the meeting be closed. The motion was seconded by Gowling WLG LLP, and passed. The Proposal Trustee noted that it would proceed to schedule time at Court for approval of the Proposal and to seek directions on dealing with the disputed claims, disallowances, and the property claimants.

Meeting adjourned at 5:30 pm.

Secretary
32545323.4

Chairman



LISTE DES PRÉSÉNCES. —
PREMIÈRE ASSEMBLÉE DES CRÉANCIERS

RECEIPT OF PAYMENT			
NO.	NAME (PRINT) NOM (IMPRIMEZ)	REPRESENTING REPRÉSENTANT	AMOUNT OF CLAIM MONTANT RÉCLAMÉ
	C. MILUS	Neelofar Ahsan + S-Hussain	\$42,705.00
	CHAMILTON	TRUSTEE	—
	DEZINCHUKO	TRUSTEE	—
	EL BIZAKI	TRUSTEE	—
	DAVID M. KACIN	NYPH INC	\$46,442.42
	David	Kori Simek	Counting NLC UP 401,289.84
	Debra	Miranda Simek	Trustee
	DEBRA	Debra	Debtor
	ALAIN CHEDRON	ALAIN CHEDRON	Debtor
	ANDY DEZAN	ANDY DEZAN	Debtor
	ALIZYN LACAND	ALIZYN LACAND	Debtor
	David	David	Debtor
	David	David	Debtor
	Jessica	Jessica	Debtor
	Wuthmann	Wuthmann	Debtor
			Debtor Canceled
			Debtor Canceled

Crowe Soberman Inc.

Claims Register

In the matter of the proposal of
 1482241 ONTARIO LIMITED
 of the City of Toronto
 in the Province of Ontario

Insolvency Date: 13-Oct-2017

Estate Number: 31-2303814

Creditor Name	Proof of Claim?	Claim Status	Rank / Class	SOA Amount	Amount Filed	Admitted for Dividend
Secured creditors						
1. Caruda Holdings	Yes	Not proved			804,726.03	
2. CRA - Tax - Ontario Attn: Quebec Insolvency Intake Centre RP CRA Payroll	Yes	Admitted		10,800.00	3,972.76	
Total : Secured creditors				10,800.00	808,698.79	
Unsecured creditors						
1. A. Checroune Realty Corporation Upper Level Parking Rent	Yes	Not proved		553,015.98	553,015.98	
2. Alain Checroune	Yes	Not proved		4,350,000.00	4,350,000.00	
3. Alain Checroune	Yes	Not proved			1,440,000.00	
4. Alain Checroune	Yes	Not proved			12,000,000.00	
5. Caruda Holdings	Yes	Not proved			1,318,321.64	
6. Caruda Holdings	Yes	Not proved		1,000,000.00	136,588.65	
7. CRA - Tax - Ontario Attn: Quebec Insolvency Intake Centre RP CRA Payroll	Yes	Admitted			17,699.61	17,699.61
8. Daikin Applied Canada Inc.	No	Not proved		1.00		
9. Devry Smith Frank LLP Attn: James Satin	Yes	Admitted		125,000.00	128,153.49	128,153.49
10. GDI Services (Canada) LP TORINV 360841-370708	No	Not proved		1.00		
11. Gowling Lafleur Henderson LLP-Toronto	Yes	Admitted		445,000.00	401,284.89	401,284.89
12. Ministry of Finance - ON PST, EHT & Other Taxes Attn: Mrs. Asta Alberry	No					
13. North York Family Physicians Holdings Inc.	Yes	Admitted			46,442.42	46,442.42
14. Toronto Court Services - Ticket 4860 Attn: Collections	Yes	Admitted		3,500.00	6,212.75	6,212.75
15. Toronto Hydro-Electric Systems Limited Attn: Josephine Pernarell / Mary Degroot 240 Duncan Mill Road	Yes	Admitted		190,000.00	199,934.53	199,934.53
16. YYZ Plumbing	Yes	Admitted			17,960.20	17,960.20
Total : Unsecured creditors				6,666,517.98	20,615,614.16	817,687.89
Contingent Creditors						
1. Ahmadi, Neelofar	Yes	Contingent			1.00	
Total : Contingent Creditors					1.00	
Grand Total: 6,677,317.98 21,424,313.95 817,687.89						

Proxy Holders

Estate Name: 1482241 ONTARIO LIMITED
Estate Number: 31-2303814
File Name: 1482241ONT 1014644-022744

Creditor Name	Address	POC?	Total Liability			Proxy Holder	
			SOA \$	Filed \$	Voting \$ Name		
Gowling Lafleur Henderson LLP-Toronto	1600 - 100 King St. W. 1 First Canadian Place Toronto ON M5X 1G5	Yes	445,000.00	401,284.89	401,284.89 Kavi Sicasothy-Gowling WLG	Toronto ON	(____) ____ - ____
Toronto Hydro-Electric Systems Limited	500 Commissioners St. 2nd fl 240 Duncan Mill Road	Yes	190,000.00	199,934.53	199,934.53 David Ullman-Blaney McMurry LLP	Toronto ON	(____) ____ - ____

District of Ontario
 Division No. 09 - Toronto
 Court No. 31-2303814
 Estate No. 31-2303814

Voting Summary

In the matter of the proposal of
 1482241 ONTARIO LIMITED
 of the City of Toronto
 in the Province of Ontario

Insolvency Date: 13-Oct-2017
 Estate Number: 31-2303814

Result of Voting

Class	Total #		Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result		
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	4	3	1	729,372.91	46,442.42	75.00	25.00	94.01	5.99	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	Devry Smith Frank LLP	U		128,153.49	Letter	For
	Gowling Lafleur Henderson LLP-Toronto	U		401,284.89	Letter	For
	North York Family Physicians Holdings Inc.	U		46,442.42	Letter	Against
	Toronto Hydro-Electric Systems Limited	U	240 Duncan Mill Road	199,934.53	Letter	For

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO

CROWE SOBERMAN INC., in its capacity as
Licensed Insolvency Trustee of 1482241 Ontario Limited

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at TORONTO

MOTION RECORD OF 1482241 ONTARIO LIMITED
(Motion to Release Funds, Returnable June 12, 2018)

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

David T. Ullmann (LSUC # 63889D)
Tel: (416) 596-4289
Fax: (416) 594-2437
Email: dullmann@blaney.com

Alexandra Teodorescu (LSUC # 63889D)
Tel: (416) 596-4279
Fax: (416) 594-2437
Email: ateodorescu@blaney.com

Lawyers for 1482241 Ontario Limited