

Court File No. 31-2303814
Estate 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**

**MOTION RECORD OF THE PROPOSAL TRUSTEE
(motion returnable June 12, 2018)**

Date: May 31, 2018

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**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**

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4.	Affidavit of Fees of Ian Aversa sworn May 31, 2018
5.	Draft Order re: proposal approval

TAB 1

Court File No. 31-2303814
Estate 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**

NOTICE OF MOTION
(returnable June 12, 2018)

Crowe Soberman Inc. (“**Crowe**”), in its capacity as the proposal trustee (in such capacity, the “**Proposal Trustee**”) of 1482241 Ontario Limited (“**148**”, the “**Company**” or the “**Debtor**”) will make a motion to a judge presiding over the Commercial List on Tuesday, June 12, 2018, at 10:00 a.m., or as soon after that time as the motion can be heard, at the courthouse located at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR an Order, including, amongst other things:

- (a) if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;
- (b) approving:
 - (i) the fifth report of the Proposal Trustee dated April 13, 2018 (the “**Fifth Report**”) and the activities of the Proposal Trustee described therein;
 - (ii) the sixth report of the Proposal Trustee dated May 31, 2018 and any supplements thereto (collectively, the “**Sixth Report**”) and the activities of the Proposal Trustee described therein;

- (c) approving the Company's Proposal (defined below);
- (d) establishing a dispute resolution process for any objections raised by the Debtor to any claims filed by the creditors in the Proposal;
- (e) approving the fees and disbursements of the Proposal Trustee, the Proposal Trustee's counsel, and the Debtor's counsel, and authorizing the payment thereof from the proceeds of sale (the "**Sale Proceeds**") of the property located at 240 Duncan Mill Road, Toronto, Ontario (the "**Duncan Mill Property**"); and
- (f) such further and other relief as counsel may advise and this Court may permit.

THE GROUNDS FOR THE MOTION ARE:

- (a) the Company submitted its proposal, together with a sworn statement of affairs (the "**SOA**"), to the Proposal Trustee on April 13, 2018;
- (b) the Proposal Trustee called the first meeting of creditors (the "**First Meeting**") to be held on May 4, 2018 at the Proposal Trustee's office, and provided notice of the First Meeting to all known creditors declared on the Company's SOA;
- (c) on May 3, 2016, the Company filed an amended proposal (as amended, the "**Proposal**"), which was tabled at the First Meeting;
- (d) at the First Meeting, the required majorities of creditors by number and value voted in favour of approving the Proposal;
- (e) the SOA does not reflect all of the creditors that were listed on the Company's creditor list filed upon the filing of the Notice of Intention to Make a Proposal (the "**NOI Creditor List**"). In addition, the Proposal Trustee has already received a proof of claim from a creditor not listed on either the SOA or the NOI Creditor List. The Proposal Trustee accordingly proposes to advertise the Claims Bar Process provided for in the Proposal in the *Globe & Mail* national edition, so as to ensure that all creditors are aware of same;

- (f) the Company has raised certain objections to a number of the claims filed in the Proposal. The Proposal Trustee anticipates that additional objections will be raised as claims continue to be filed. The Proposal Trustee accordingly proposes to formalize a process by which to address these objections in a cost- and time-efficient manner;
- (g) the Proposal Trustee has accrued fees and expenses in its capacity as Proposal Trustee, which fees and expenses require the approval of this Court;
- (h) the Proposal Trustee's counsel, Aird & Berlis LLP, has accrued fees and expenses in its capacity as counsel to the Proposal Trustee, which fees and expenses require the approval of this Court;
- (i) the Debtor's counsel, Blaney McMurtry LLP, has accrued fees and expenses in its capacity as counsel to the Debtor, which fees and expenses require the approval of this Court;
- (j) the other grounds set out in the Sixth Report;
- (k) rules 1.04, 2.03, 3.02, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (l) such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Sixth Report and its appendices, together with any supplementary reports that may be delivered;
- (b) the fee affidavit of Hans Rizarri sworn May 29, 2018;
- (c) the fee affidavit of Ian Aversa sworn May 31, 2018; and
- (d) such further and other material as counsel may submit and this Court may permit.

Date: May 31, 2018

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Ontario Limited*

TO: ATTACHED SERVICE LIST

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
Case No. 3122008844
Estate No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)

Proceedings commenced at Toronto

NOTICE OF MOTION
(returnable June 12, 2018)

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TAB 2

Court File No. 31-2303814
Estate 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**

SIXTH REPORT OF THE PROPOSAL TRUSTEE
MAY 31, 2018

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Court File No. 31-2303814
Estate 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**

**SIXTH REPORT OF THE PROPOSAL TRUSTEE
MAY 31, 2018**

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Court File No. 31-2303814
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**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**

**SIXTH REPORT OF THE PROPOSAL TRUSTEE
MAY 31, 2018**

INTRODUCTION

1. On October 13, 2017, 1482241 Ontario Limited (“148”, the “Company” or the “Debtor”), filed a Notice of Intention to Make a Proposal (“NOI”). Crowe Soberman Inc. consented to act as the Proposal Trustee (in such capacity, the “Proposal Trustee”) of the Company.

2. This report (the “Sixth Report”) is filed by the Proposal Trustee. Unless otherwise noted, the defined terms used in this Sixth Report have the same meanings ascribed to them in the First Report to the Fifth Report and the Supplemental Reports thereof.

PURPOSE

3. The purpose of this report (the “Sixth Report”) is to:
 - a. Report on the filing of a Proposal by the Company on April 13, 2018, as amended on May 3, 2018 (as amended, the “Proposal”), and the outcome of the First Meeting of Creditors held on May 4, 2018, (the “First Meeting”), at which the creditors voted to approve the Proposal;
 - b. Report on the receipt of the Property Claims by the Property Claimants following the filing of the Proposal, and the subsequent issuance of the Notices of Disallowance following the First Meeting;
 - c. Report on the Proposal Trustee’s recommendation for the advertising of and implementation of the Claims Bar Process as defined in the Proposal;

- d. Report on the Proposal Trustee's recommendation for a process to adjudicate any objections raised by the Company to creditor claims;
- e. Report on the status of the Property Claims;
- f. Report on the status of the Proposal Trustee's review of the DIP Discharge Statement and request made by Caruda for payment in the amount of \$750,000;
- g. Report on the various requests for operating funds made by the Company and amounts paid out to date;
- h. Report on the additional professional fees incurred from the period of March 29th to May 29, 2018; and
- i. Provide support for the Proposal Trustee's motion for an Order of this Honourable Court:
 - (i) Approving the Sixth Report;
 - (ii) Approving the Proposal as accepted by the creditors at the First Meeting;
 - (iii) Approving the Proposal Trustee's recommendation for determining the issues in paragraph 3 (c), and (d) above; and
 - (iv) approving and authorizing payment from the Sale Proceeds of the fees incurred by the Proposal Trustee, counsel for the Proposal Trustee, and the Debtor's Counsel, (the "**Administrative Parties**") pursuant to the Administration Charge granted in the November 3rd Order.

THE PROPOSAL

- 4. The Company submitted its Proposal to the Proposal Trustee, alongside a sworn statement of affairs ("SOA") on April 13, 2018. The Proposal Trustee called the First Meeting to be held on May 4, 2018 at the Proposal Trustee's office. On April 23, 2018, the Proposal Trustee sent notice of the First Meeting, the Proposal, the SOA, the Trustee's Initial Report on the Proposal, and other statutory documents (the "**Creditor Package**"), to all known creditors as declared by the Company on its SOA. A copy of the Creditor Package is attached hereto as **Appendix "A"**.

5. The Proposal contemplates a distribution to creditors of 100% of their proven claims to a maximum of \$6.7 million, to be paid from a combination of the Sale Proceeds and any amount realized by the Debtor from its efforts to require Avison Young to repay certain rental amounts that Avison Young received during its management of the Duncan Mill Property. The Proposal further provides that certain claims of related parties will be voluntarily postponed in order to maximize the return to ordinary creditors with proven claims, and that such postponements will be communicated to the creditors at the First Meeting.
6. In the Trustee's Initial Report on the Proposal, the Proposal Trustee identified a discrepancy in the creditors declared by the Company in the SOA, and the original list of creditors that was declared in the NOI (the "NOI Creditor List"). The Proposal Trustee circulated the Creditor Package to those parties that were declared on the NOI Creditor List but were not declared on the SOA. In addition, the Proposal Trustee posted the Creditor Package on its website where it maintains materials relating to this proceeding. A copy of the NOI Creditor List is attached hereto as **Appendix "B"**.

PROPERTY CLAIMS

7. In its Fourth Report to Court, the Proposal Trustee reported on the receipt of the Property Claims submitted by the Property Claimants prior to the filing of the Proposal. At that time, the Proposal Trustee issued Notices of Disallowance on the basis that the Property Claims were premature, without prejudice to the Property Claimants' rights to resubmit the Property Claims at the appropriate time.
8. The Property Claims were resubmitted to the Proposal Trustee on April 25, 2018. The Property Claimants claim a combined 20% ownership interest in the Sale Proceeds, based on certain original and further amended trust declarations entered into between the Property Claimants, the Debtor, and Alain Checroune. Copies of the Property Claims are attached hereto as **Appendix "C"**.
9. As the Property Claimants assert a 20% interest in the Sale Proceeds, the final determination of the Property Claims will impact the distribution available to unsecured creditors as set out

in the Proposal. In order to ensure that creditors were aware of the potential impact of the Property Claims on the ultimate distribution, the Proposal Trustee circulated a Supplemental Report to the Initial Report on the Proposal dated May 2, 2018 (the “**Supplemental Report on the Proposal**”) prior to the First Meeting. A copy of the Supplemental Report on the Proposal is attached hereto as **Appendix “D”**.

10. In the Supplemental Report on the Proposal, the Proposal Trustee outlined the background surrounding the Property Claimants, and reported that the Property Claims had been resubmitted. The Proposal Trustee advised creditors that, due to the complexity of the issues surrounding the Property Claims, it was not in a position to determine the validity of the Property Claims in the context of an ordinary claims process in the Proposal. The Proposal Trustee advised the creditors that it intended to seek directions from the Court regarding the administration of the Proposal, and would request an adjournment at the First Meeting to allow time for a Court attendance prior to holding a vote on the Proposal.
11. At the First Meeting, in consultation with the creditors in attendance, the Proposal Trustee determined that the contemplated advice and directions relating to the Property Claims could be sought on the motion to approve the Proposal. Accordingly, the Proposal Trustee did not seek the contemplated adjournment and permitted the vote to proceed.
12. Following the First Meeting, the Proposal Trustee issued fresh Notices of Disallowance dated May 17, 2018. Copies of the Notices of Disallowance are attached hereto as **Appendix “E”**.
13. The Proposal Trustee understands that the Property Claimants intend to appeal the Notices of Disallowance.

ADVERTISING OF THE CLAIMS BAR PROCESS

14. The Proposal provides for a Claims Bar Process. In accordance with the Claims Bar Process, forthwith after the Implementation Date (as defined in the Proposal), the Proposal Trustee will give notice to every person with a claim pursuant to section 149 of the BIA (the “**Section 149 Notice**”). The “**Claims Bar Date**” is defined in the Proposal as thirty days following the

mailing of the Section 149 Notice. After the expiry of the thirty day period, the Proposal Trustee will proceed to declare a final dividend.

15. In addition to the discrepancy between creditors declared on the SOA and the NOI Creditor List, the Proposal Trustee has received a proof of claim from a creditor that does not appear on either document. The Proposal Trustee is concerned that there may be other creditors that have not been properly advised of the proceeding, and have not been notified or given an opportunity to prove a claim.
16. In order to ensure that all persons with claims have notice of the Proposal, the Proposal Trustee recommends placing an advertisement advising of the Claims Bar Process in the *Globe & Mail* national edition after the sending of the Section 149 Notice.

FIRST MEETING

17. The First Meeting was held at the office of the Proposal Trustee at 2:00pm on May 4, 2018. At the First Meeting the Proposal Trustee tabled the Proposal submitted on May 3, 2018 by the Company, which contained certain amendments to the definitions set out in the Proposal as originally filed. A copy of the Proposal, as amended, is attached hereto as **Appendix “F”**.
18. The conduct of the First Meeting is set out in the Minutes of the First Meeting of Creditors (the “Minutes”), a copy of which is attached hereto as **Appendix “G”**.

RESOLVING DISPUTED CLAIMS

19. As set out in the Minutes, the Company has objected to a number of the claims filed as of the date of the First Meeting. The Proposal Trustee anticipates that the Company will similarly raise objections to additional claims that may be filed prior to the Claims Bar Date.
20. In order to ensure that any such disputes are resolved in an efficient and cost-effective manner, the Proposal Trustee proposes the following procedure for the resolution of any such disputes:

- a. the Proposal Trustee will make an initial determination as to whether a claim ought to be admitted or disallowed, and will advise the Company of its determination in this regard;
- b. the Company will communicate any objection to the admitted claims to the Proposal Trustee, in writing, including the basis for the objection, within seven days of the issuance of the Proposal Trustee's decision in paragraph (a) above;
- c. the Proposal Trustee will consider the objection raised by the Company, and will advise the Company and the relevant creditor of its determination of the claim having regard for the Company's objection; and
- d. if the Proposal Trustee admits a claim after having reviewed the Company's objection, the Company may seek to have its objection adjudicated on motion to the Court upon posting, with counsel for the Proposal Trustee, security for costs sufficient to cover the relevant creditor's substantial indemnity costs associated with the objection proceeding; and
- e. the Proposal Trustee will work with the Company to schedule any objection motions, with the goal of minimizing the number of Court attendances required to address any such motions.

RESOLVING PROPERTY CLAIMS

21. As set out above, the Proposal Trustee understands that the Property Claimants intend to appeal the disallowance of the Property Claims. The Proposal Trustee anticipates that the scheduling of this appeal will occur at the hearing scheduled for June 12, 2018.

STATUS OF CARUDA DIP DISCHARGE STATEMENT

22. On April 5, 2018, the Honourable Justice Hainey issued an Additional Endorsement permitting the Proposal Trustee to distribute funds to Caruda in its capacity as DIP Lender up to the maximum amount of \$750,000, provided that the Proposal Trustee reviews the DIP Discharge Statement and finds it satisfactory, and in the absence of any objection from the

service list to the proposed distribution. A copy of the Additional Endorsement is attached hereto as **Appendix "H"**.

23. On May 16, 2018, the Proposal Trustee wrote to the service list to advise of its intention to make a distribution to Caruda in the sum of \$177,921.73 on May 23, 2018, in the absence of any objection from the service list. A copy of this correspondence is attached hereto as **Appendix "I"**.
24. The Proposal Trustee did not receive any objection from the service list. Accordingly, on May 23, 2018, the Proposal Trustee distributed the sum of \$177,921.73 to Caruda.
25. The Proposal Trustee has requested additional information from Caruda to substantiate the remaining amounts set out in the DIP Discharge Statement. To date, the Proposal Trustee has not received sufficient additional information to recommend any further distribution to Caruda in its capacity as DIP Lender.

VARIOUS REQUESTS FOR OPERATING EXPENSES

26. On April 20, 2018, the Honourable Justice Hainey approved a distribution to the Company in the amount of \$200,000 to fund ongoing operations and expenses, on the following terms:

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.

27. A copy of the April 20 Amended Endorsement addressing this distribution is attached hereto as **Appendix "J"**.
28. On April 24, 2018, the Proposal Trustee distributed the first \$100,000 to the Company. The Proposal Trustee distributed the remaining \$100,000 to the Company by way of wire transfers in the amount of \$50,000 issued on May 7, 2018, and May 9, 2018, following the receipt of additional information from the Company.

29. During the week of May 14, 2018, the Company advised the Proposal Trustee that it required additional operating funds. On May 18, 2018, the Honourable Justice Hainey issued an endorsement providing as follows (a copy of which is attached hereto as **Appendix "K"**):

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.

30. On May 23, 2018, counsel for the Proposal Trustee wrote to counsel for the Company to advise of the supporting documentation it required in order to make a further distribution to the Company in respect of operating funds. A copy of this correspondence is attached hereto as **Appendix "L"**.

31. As of the date of this Sixth Report, the Proposal Trustee has not received any additional supporting documentation from the Company in respect of the request for operating funds.

INTERIM DISTRIBUTION OF PROFESSIONAL FEES

32. Pursuant to the November 3rd Order, the Administrative Parties (i.e. the Proposal Trustee, its counsel, and counsel for the Debtor) were granted an Administration Charge against the Duncan Mill Property as security for their fees and disbursements. The Administration Charge is subordinate in priority only to the Charges and the DIP Lender's Charge.

Fees of the Proposal Trustee

33. From March 30 to May 28, 2018, the total fees incurred by the Proposal Trustee were \$86,520.00 plus HST in the amount of \$11,247.60 for a total of \$97,767.60.

34. Attached separately as part of the Proposal Trustee's motion materials is the affidavit of Hans Rizarri sworn May 29, 2018, which includes a detailed summary of services, time charges and applicable hourly rates related to Crowe's time sheets for the period March 30 to May 28, 2018.

Fees of Counsel to the Proposal Trustee-Aird & Berlis LLP ("Aird")

35. From March 7 to April 30, 2018, the account of Aird totals \$29,169.95,

36. Attached separately as part of the Proposal Trustee's motion materials is the affidavit of Ian Aversa sworn May 31, 2018, which includes a summary of time charges and applicable hourly rates related to Aird's detailed statements of account for the period of March 7 to April 30, 2018.

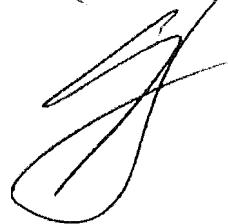
Fees of Counsel to the Debtor-Blaney McMurtry LLP ("Blaney's")

37. The Proposal Trustee has been advised that Blaney's will be providing an additional account to be approved at the Proposal hearing.

All of which is respectfully submitted this 31st day of May, 2018.

CROWE SOBERMAN INC.

Trustee acting under a Notice of Intention to Make a Proposal for
1482241 Ontario Limited, and not in its personal capacity



APPENDIX

‘A’



Crowe Soberman Inc.
Member Crowe Horwath International
2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5
416.929.2500
416.929.2555 Fax
www.crowesoberman.com

April 23, 2018

To the Creditors of 1482241 Ontario Limited:

Please be advised that the above mentioned has filed a Proposal under Part III Division 1 of the ***Bankruptcy and Insolvency Act***, with the Official Receiver on April 13, 2018. To assist creditors in determining their position on the Proposal and to provide them with the information required in accordance with the ***Bankruptcy and Insolvency Act***, the following is enclosed:

1. A Notice to Creditors of Proposal and of the First Meeting of Creditors to be held:

Date: May 4, 2018

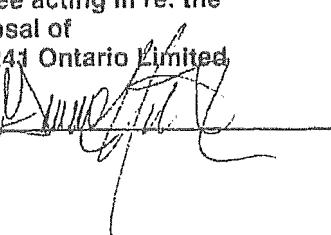
Time: 2:00 PM

Place: Office of the Trustee
2 St. Clair Ave East, 11th Floor
Toronto, ON, M4T 2T5

2. Trustees Initial Report to Creditors on the Proposal
3. The Proposal
4. Statement of Affairs
5. Proof of Claim
6. General Proxy
7. Voting Letter

If there are any questions regarding this Proposal or the procedures to be followed, please feel free to contact our office at (416) 929-2500

CROWE SOBERMAN INC.,
Trustee acting in re: the
Proposal of
1482241 Ontario Limited

Per: 

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

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

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

Take notice that 1482241 ONTARIO LIMITED of the City of Toronto in the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at 2 St. Clair Ave East, 11th Floor, Toronto, ON on the 4th day of May 2018 at 2:00 PM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the City of Toronto in the Province of Ontario, this 23rd day of April 2018.

Crowe Soberman Inc. - Licensed Insolvency Trustee

2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

FORM 92 -- Concluded

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
A. Checroune Realty Corporation	240 Duncan Mill Road, Suite 801 Toronto ON M3B 3S6	Upper Level Parking Rent	553,015.98
Alain Checroune	240 Duncan Mill Road, Suite 801 Toronto ON M3B 3S6		4,350,000.00
Caruda Holdings	240 Duncan Mill Road Toronto ON M3B 3S6		1,000,000.00
CRA - Tax - Ontario Quebec Insolvency Intake Centre	Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	RP CRA Payroll	10,800.00
Devry Smith Frank LLP James Satin	100 - 95 Barber Greene Road North York ON M3C 3E9		125,000.00
Gowling Lafleur Henderson LLP-Toronto	1600 - 100 King St. W. 1 First Canadian Place Toronto ON M5X 1G5		445,000.00
Toronto Court Services - Ticket 4860 Collections	137 Edward Street 2nd Floor Toronto ON M5G 2P8		3,500.00
Toronto Hydro-Electric Systems Limited Josephine Pernarell / Mary Degroot	500 Commissioners St, 2nd fl Toronto ON M4M 3N7	240 Duncan Mill Road	190,000.00
Total			6,677,315.98

Estate File No. 31-2107857

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

TRUSTEE'S REPORT TO CREDITORS ON PROPOSAL

TO THE CREDITORS OF 148 ONTARIO LIMITED

1482241 Ontario Limited ("148") or ("the Company") filed a Notice of Intention to Make a Proposal ("NOI") pursuant to the *Bankruptcy and Insolvency Act* ("BIA"), on October 13, 2017 ("NOI Date"). The Company's Proposal was filed with the Official Receiver on April 13, 2018 pursuant to Subsection 50(1) of the Act.

Enclosed are the following documents:

- Proposal as filed with the Official Receiver;
- Statement of the Company's assets and liabilities ("Statement of Affairs");
- Proof of claim form;
- Voting letter; and
- General proxy.

The following Report will outline the background and financial position of the Company including relevant information that should be of assistance to creditors in considering their position with respect to accepting or rejecting the Proposal.

The description of the Proposal in this Report is a summary only and is provided for the assistance of Creditors. In the event there is any inconsistency between this Report and the Proposal, the terms of the Proposal shall govern. Creditors are advised to read the Proposal.

Section A – Introduction and Background

A corporation search indicates that the Company was incorporated in the Province of Ontario on June 21, 2001 and began operating shortly after the date of incorporation. The Company appears to be a single purpose corporation holding legal title to certain lands and a free standing commercial building located at 240 Duncan Mill Road, Toronto, Ontario (the "Duncan Mill Property"). The Proposal Trustee understands that, as of the date of the NOI filing, the sole director and officer of 148 is Mr. Alain Checroune ("Checroune").

The Company's registered head office and principal place of business is also located at the Duncan Mill Property. As of the date of the NOI filing, the Company employed 3 full time staff who perform maintenance, office administration, and property management services.

The Duncan Mill Property was constructed in 1971 and is made up of an eight-storey multi-tenant commercial building with a single level basement and underground parking garage. It also includes a two-storey parking garage on the west side of the building. The Duncan Mill Property consists of commercial units, with many of its tenants involved in the health care industry. The Proposal Trustee understands that as of the date of the NOI filing there was a 52% occupancy rate, with a total of 19 tenants.

Based on a review of the parcel registry from the Land Registry Office, the Duncan Mill Property was purchased by 148 on August 13, 2001 for \$15,300,000.

Dan Realty Corporation, E.Manson Investments Limited, and Copperstone Investments Limited (collectively, the "First Mortgagee") were the registered holder of a first mortgage on the Duncan Mill Property (the "First Mortgage") which mortgage was assigned from Computershare Trust Company of Canada on June 2, 2016. As security for its loan, 148 granted to the First Mortgagee, among other things, a mortgage in the amount of \$11,250,000 over the Duncan Mill Property and a General Security Agreement providing a first charge over all personal property of 148. As of the date of the NOI filing, 148 was indebted to the First Mortgagee in amounts that total \$7,692,202.45, inclusive of accrued interest and costs.

A second mortgage was registered on title to the Duncan Mill Property in favour of Janodee Investments Ltd. and Meadowshire Investments Ltd. (together, the "Second Mortgagee"), dated September 21, 2016 (the "Second Mortgage") against the Duncan Mill Property. As of the date of the NOI filing, the Proposal Trustee understood the amount outstanding under the Second Mortgage was approximately \$1,420,000, including accrued interest.

In addition to the first and second mortgages, as of the date of the NOI filing the Debtor owed \$1,441,179.66 in property tax arrears to the City of Toronto.

Prior to the filing of the NOI, the Company received a notice of default from counsel for the First Mortgagee that included a Notice of Intention to Enforce Security pursuant to Section 244(1) of the BIA. In addition, the Company also received notices from a bailiff that had been retained by the City of Toronto and had issued a tax warrant for the unpaid property tax.

In addition to the secured creditors outlined above, the Proposal Trustee became aware that 148 had been involved in lengthy litigation since 2014 with Jamshid Hussaini, Neelofar Ahmadi, and Homelife Dreams Realty Inc. (the "Hussaini Group").

The Hussaini Group commenced an action against 148, and Checroune, seeking a declaration that they own 20% of the shares of 148 and hold a 20% interest in the Duncan Mill Property. The Hussaini Group obtained a certificate of pending litigation on the Duncan Mill Property along with an injunction pursuant to an Order of Justice Whitaker dated October 24, 2014, (the "Injunction Order").

Section B- Court Approved Sales Process

The Proposal Trustee carried out a sale and solicitation process of the Duncan Mill Property that was approved pursuant to the Order of Justice Hainey dated November 3, 2017 (the "Sales Process"). The Sales Process was carried out on notice and in consultation with the First Mortgagee, as well as other stakeholders. The Proposal Trustee has prepared numerous reports on the Sales Process which are all available on the Proposal Trustee's website, alongside the resulting Court Orders, <https://crowesoberman.com/insolvency/engagements/>

The Sales Process resulted in an offer to purchase the Duncan Mill Property from 1979119 Ontario Inc. by way of an agreement of purchase and sale dated February 26, 2018 (the "APS"). 1979119 Ontario Inc. subsequently assigned its interest in the APS to AZDM Inc. (the "Purchaser"). The Proposal Trustee sought court approval of the APS. Pursuant to the Order of Justice Hainey dated March 16, 2018, the sale of the Duncan Mill Property was approved and title was vested to the Purchaser (the "Sale Approval and Vesting Order"). The transaction closed on March 29, 2018 and the remaining funds (after certain payments to secured creditors), are being held by legal counsel for the Proposal Trustee, in trust, pending further Order of the Court.

Section C – Summary of Proposal

The Company is filing the enclosed Proposal to satisfy its debts and obligations to its creditors. This section contains a brief summary of the Proposal, the terms of which would be effective if:

- i) all Unsecured Creditors with valid proven claims vote for the acceptance of the Proposal by a majority in number and two thirds in value of creditors present, personally or by proxy, at the general meeting of creditors; and
- ii) the Proposal is approved by the Court, in accordance with the provisions of the Act.

Defined terms not otherwise defined in this report have the meanings given to them in the Proposal.

The Proposal provides for the restructuring of the Company's liabilities through a monetary distribution to Unsecured Creditors.

The Proposal provides for the following:

1. Claims as at the Proposal Date that could be subject to a demand under subsection 224(1.2) of the Income Tax Act (Canada) ("ITA"), any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the ITA, or any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, shall be paid within six months after Court approval of the Proposal or as otherwise agreed. Generally these amounts are for arrears in payment of payroll deductions. The Company has declared that the CRA is owed approximately \$10,800 in this regard.
2. Any amounts owing to employees or former employees of the Company (not including independent commissioned sales agents or contractors) that would qualify as claims under paragraph 136(1) (d) of the Act if the Company became bankrupt on the Proposal Date, are to be paid on Court approval of the Proposal. For greater certainty, amounts due or which may become due do not include claims for severance or termination pay or any compensation in lieu of termination. The Company has not declared any debts in this regard.

3. Any outstanding Administrative Fees and Expenses of the Proposal Trustee and the Debtor shall be paid in full from the Sale Proceeds.
4. Funds from the sale of the Duncan Mill Property will be used to fund the operating expenses of the Debtor.
5. Secured claims as at the Proposal Date are to be dealt with as follows:
 - a) Secured creditors shall be paid in accordance with the respective agreements between each secured creditor and the Company. To the extent there is insufficient collateral to repay the secured indebtedness, the secured creditor will file the balance of its claim as an unsecured creditor.
6. Related Parties will advise the Proposal Trustee and the creditors of the claims they intend to postpone at the First Meeting of Creditors to consider the Proposal. The Postponed Related Party Claims will not be paid or compromised in the Proposal. The proven Related Party Claims which are not identified as Postponed Related Party Claims will be paid from the Proposal Fund on the same basis as the Ordinary Creditors
7. For the claims of Ordinary Creditors, a Proposal Fund equal to 100% of the proven claims, including any proven claim by a related party, up to a maximum of \$6,700,000 will be paid from the proceeds of the sale of the Duncan Mill Property. Ordinary Creditors with proven claims will be paid from the Proposal Fund once the claims of Preferred Creditors are satisfied. The definition of a "Claim" in the filed Proposal includes claims for liabilities that arose after the date of the NOI filing.

Section D – Assets

According to the Company's sworn Statement of Affairs ("SOA") as at April 13, 2018 its assets consist of the following:

Asset	Amount as per SOA
Cash	\$6,700,000
Total	\$6,700,000

In addition to the asset listed on the SOA, the Proposal Trustee was provided a list of nine (9) separate actions involving the Company. For the purposes of this report on the Company's Proposal, the Proposal Trustee is not able to speculate on what benefit (if any), may be available for 148's creditors arising from the actions.

The cash on hand is subject to the Proposal Trustee's post sale adjustments and the payment of obligations pursuant to Court Orders.

Section E – Creditors' Claims

Based on the Company's Sworn Statement of Affairs, dated April 13, 2018 ("SOA"),* the Company's estimated creditors are comprised of:

Creditor classification	Amount
Unsecured	\$6,677,317.98
Total	\$6,677,317.98

*The Proposal Trustee notes that the original creditor list compiled for the NOI process contained a list of total creditors in the amount of \$21,946,938.20 (the "NOI Creditor List"). The NOI Creditor List contained the claims by the First Mortgagee, the Second Mortgagee, the Hussaini Group, the City of Toronto, and other vendors and suppliers.

Based on the Proposal Trustee's review of the Company's Proposal, it does not appear to address the claims of any potential property claimants to the proceeds of sale of the Duncan Mill Property that may be advanced in the Proposal proceeding. This could affect the amount of proceeds ultimately available to pay the Unsecured Creditors' proven claims.

Section F – Estimated Realization

In the Proposal filed by the Company, proven Unsecured Creditors will receive an amount equal to 100% of their proven claims. The Proposal does not propose a distribution to other creditors that appeared on the NOI Creditor List.

Unsecured Creditors with proven claims will receive a pro-rata dividend from the proceeds of the realization on the Company's assets. The amount that Unsecured Creditors can expect to receive will depend on the final dollar amount of filed claims and the final amount of cash available from the sale proceeds.

Distributions to all creditors in respect of their proven claims will be subject to the Superintendent of Bankruptcy levy equal to 5% of the dividend paid.

If Proposal Not Accepted

If the Proposal is not accepted, the Company would be deemed a bankrupt and its assets would vest with the Trustee. In a bankruptcy scenario, the valid Related Party Claims will not be voluntarily postponed. If the Related Party Claims are submitted in full and admitted by the Trustee, the remaining Unsecured Creditors would receive a smaller distribution.

Statement of Projected Cash-flow

In accordance with the Act, the Trustee has reviewed the Statement of Projected Cash-flow prepared by the Company.

Section G – Previous Business Dealings with the Debtor

The undersigned Trustee, and Crowe Soberman Inc., confirm that they have no previous business dealings with the Company.

Section H – Remuneration of Trustee

Payment of the outstanding fees and expenses of the Proposal Trustee, if any, are being paid out of the Proposal.

Section I – Procedures for Dealing with Proposal and Completing a Proof of Claim

In completing the proof of claim form submitted herewith, creditors should include amounts outstanding as at October 13, 2017. The Proposal also contemplates claims for liabilities that arose after that date.

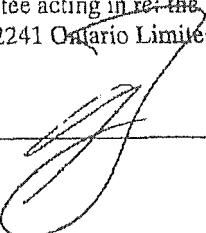
Creditors may attend, in person or by proxy, the meeting to consider the Proposal that will be held at the office of the Proposal Trustee, 2 St. Clair Avenue East, Suite 1100, Toronto, Ontario, M4T 2T5 on the 4th day of May, 2018 at 1:00 pm.

Please note that in order for your vote to count in connection with the Proposal, it is necessary that you complete and submit the enclosed proof of claim and voting documents prior to the meeting.

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their proofs of claim and voting letters to the Trustee via fax or mail so as to be received prior to the meeting.

Dated at the City of Toronto, Province of Ontario, this 23rd day of April, 2018.

Crowe Soberman Inc.
Trustee acting in re: the Proposal of
1482241 Ontario Limited

Per: 

**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 1

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 guaranteee, 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, including, without limitation any claims for unpaid services which arose after the Date of Filing other than those services in respect of which an 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;

- (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. 1 (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 Related Party;
 - (v) that are Claims by a Secured Creditor; or
 - (vi) 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 will be communicated 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(l)(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.

(hh) **“Proof of Claim”** shall mean the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;

(ii) **“Proposal”** means the Proposal lodged with the Trustee on April 11, 2018, together with any amendments or additions thereto;

- (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, plus any amount realized from the Avison Young Recovery on the Implementation Date.
- (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., Caruda Holdings Ltd, 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.

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.

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 Claims as set out in 3.2 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.

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.

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 armul 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

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 Adminstrative Fees and Expenses in accordance with paragraph 6.1(a);

- (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 a.m. 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

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 12th day of April, 2018

1482241 ONTARIO INC.

Per:

Alain Checmoune

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

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

Original Amended

- Form 78 -

Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

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

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 13th day of April 2018. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" 6,666,517.98	1. Inventory 0.00
Balance of secured claims as per list "B" 0.00	2. Trade fixtures, etc. 0.00
Total unsecured creditors 6,666,517.98	3. Accounts receivable and other receivables, as per list "E" Good 0.00 Doubtful 0.00 Bad 0.00 Estimated to produce 0.00
2. Secured creditors as per list "B" 10,800.00	4. Bills of exchange, promissory note, etc., as per list "F" 0.00
3. Preferred creditors as per list "C" 0.00	5. Deposits in financial institutions 0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for 0.00	6. Cash 6,700,000.00
Total liabilities 6,677,317.98	7. Livestock 0.00
Surplus 22,682.02	8. Machinery, equipment and plant 0.00
	9. Real property or immovable as per list "G" 0.00
	10. Furniture 0.00
	11. RRSPs, RRIFs, life Insurance, etc. 0.00
	12. Securities (shares, bonds, debentures, etc.) 0.00
	13. Interests under wills 0.00
	14. Vehicles 0.00
	15. Other property, as per list "H" 0.00
	If debtor is a corporation, add: Amount of subscribed capital 0.00 Amount paid on capital 0.00 Balance subscribed and unpaid 0.00 Estimated to produce 0.00
	Total assets 6,700,000.00
	Deficiency NIL

I, ALAIN CHECROUNE, of the City of Toronto in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 13th day of April 2018 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of Toronto in the Province of Ontario, on this 13th day of April 2018.

Hans Rizari, LIT, CIPP, Commissioner of Oaths
 For the Province of Ontario
 Expires December 17, 2018

Hans Melville Rizari,
 a Commissioner, etc., Province of
 Ontario, for Crowe Soberman Inc.,
 and its affiliates.
 Expires December 17, 2018

ALAIN CHECROUNE

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

FORM 7B - Continued

List "A"
Unsecured Creditors

1482241 ONTARIO LIMITED

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	A. Chécroun Realty Corporation Upper Level Parking Rent	240 Duncan Mill Road, Suite 801 Toronto ON M3B 3S6	553,015.98	0.00	553,015.98
2	Alain Chécroun	240 Duncan Mill Road, Suite 801 Toronto ON M3B 3S6	4,350,000.00	0.00	4,350,000.00
3	Canada Holdings	240 Duncan Mill Road Toronto ON M3B 3S6	1,000,000.00	0.00	1,000,000.00
4	Dalkin Applied Canada Inc.	641 Chrislea Road, Unit 8 Vaughan ON L4L 8A3	1.00	0.00	1.00
5	Devry Smith Frank LLP Attn: James Satin	100 - 95 Barber Greene Road North York ON M3C 3E9	125,000.00	0.00	125,000.00
6	GDI Services (Canada) LP TORINV 360841-370708	60 Worcester Road ETOBICOKE ON M9W 5X2	1.00	0.00	1.00
7	Gowling Laffleur Henderson LLP-Toronto	1600 - 100 King St. W. 1 First Canadian Place Toronto ON M5X 1G5	445,000.00	0.00	445,000.00
8	Toronto Court Services - Ticket 4860 Attn: Collections	137 Edward Street 2nd Floor Toronto ON M5G 2P8	3,500.00	0.00	3,500.00
9	Toronto Hydro-Electric Systems Limited Attn: Josephine Pernarell / Mary Degroot 240 Duncan Mill Road	500 Commissioners St, 2nd fl Toronto ON M4M 3N7	190,000.00	0.00	190,000.00
			Total:	6,666,517.98	0.00
					6,666,517.98

13-Apr-2018

Date

ALAIN CHECROUN

District of: Ontario
Division No. 09 - Toronto

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

FORM 7B -- Continued

List "B"
Secured Creditors

1402241 ONTARIO LIMITED

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	CRA - Tax - Ontario Attn: Quebec Insolvency Intake Centre RP CRA Payroll	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	10,800.00	Cash on Hand - Sale of Building - Subject to Proposal Trustee Post Sale Adjustments	13-Apr-2018	10,800.00	6,689,200.00	
	Total:		10,800.00			10,800.00	6,689,200.00	0.00

13-Apr-2018

Date

ALAN CHEGROUNE

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

FORM 78 - Continued

List "C"
Preferred Creditors for Wages, Rent, etc.

1482241 ONTARIO LIMITED

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
					Total: 0.00	0.00	0.00

13-Apr-2018

Date

ALAIN CHECROUNE

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

FORM 78 - Continued

List "D"
Contingent or Other Liabilities

1482241 ONTARIO LIMITED

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
			Total: 0.00	0.00		

13-Apr-2018

Date

ALAIN CHECROUNE

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

FORM 7B - Continued

List "E"
Debts Due to the Debtor
1482241 ONTARIO LIMITED

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
			Total:	0.00 0.00 0.00			0.00	

13-Apr-2018

Date

ALAIN CHECROUNE

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

FORM 70 - Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

1482241 ONTARIO LIMITED

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
				Total: 0.00		0.00	

13-Apr-2018

Date

ALAIN CHECROUET

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

FORM 78 - Continued

List "G"

Real Property or Immovables Owned by Debtor

1482241 ONTARIO LIMITED

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
			Total: 0.00		0.00

13-Apr-2018

Date

ALAN CHECROUNE

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

FORM 78 -- Concluded

List "H"

Property

1482241 ONTARIO LIMITED

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand		Cash on hand	6,700,000.00	6,700,000.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other		Note: Cash on Hand - Subject to Proposal Trustee Post Sale Adjustments, and payment of obligations pursuant to Court Order	0.00	0.00
			Total:	6,700,000.00

13-Apr-2018

Date

ALAIN CHECROUNE

Court No. 312303814

File No. 312303814

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

Form 78 (Bill C-12)
Statement of affairs (Business bankruptcy)

Crowe Soberman Inc. - Licensed Insolvency
Trustee

2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555

Crowe Soberman Inc.
2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555
E-mail: Frances.Doria@CroweSoberman.com

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

FORM 31
Proof of Claim
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

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

All notices or correspondence regarding this claim must be forwarded to the following address:

In the matter of the proposal of 1482241 ONTARIO LIMITED of the City of Toronto in the Province of Ontario and the claim of _____, creditor.

I, _____, (name of creditor or representative of the creditor), of the city of _____ in the province of _____, do hereby certify:

1. That I am a creditor of the above named debtor (or I am _____, (position/title) of _____, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 13th day of October 2017, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ _____

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and
(Check appropriate description.)

Regarding the amount of \$ _____, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ _____, I do not claim a right to a priority.
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ _____
(Attach a copy of sales agreement and delivery receipts.)

FORM 31 — Concluded

- E. CLAIM BY WAGE EARNER OF \$_____
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$_____
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$_____
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$_____
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$_____
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$_____
- G. CLAIM AGAINST DIRECTOR \$_____

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$_____

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:
(Give full particulars of the claim, including the calculations upon which the claim is based.)

5. That, to the best of my knowledge, I _____ (am/am not) (or the above-named creditor _____ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and _____ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____.

Witness

Creditor
Phone Number: _____
Fax Number: _____
E-mail Address: _____

NOTE If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNING A trustee may, pursuant to subsection 128(3) of the Act, redeem a security or payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

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

FORM 36
Proxy
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

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

I, _____, of _____, a creditor in the above matter, hereby
appoint _____, of _____, to be
my proxyholder in the above matter, except as to the receipt of dividends, _____ (with or without)
power to appoint another proxyholder in his or her place.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Per _____
Name and Title of Signing Officer

Return To:

Crowe Soberman Inc. - Licensed Insolvency Trustee

2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555
E-mail: Frances.Doria@CroweSoberman.com

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

FORM 37

Voting Letter
(Paragraph 51(1)(f) of the Act)

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

I, _____, creditor (or I, _____, representative
of _____, creditor), of _____, a creditor in the above matter
for the sum of \$ _____, hereby request the trustee acting with respect to the proposal of 1482241
ONTARIO LIMITED, to record my vote _____ (for or against) the acceptance of the proposal as
made on the 13th day of April 2018.

Dated at _____, this _____ day of _____.

Witness

Individual Creditor

Witness

Name of Corporate Creditor

Return To:
Crowe Soberman Inc. - Licensed Insolvency Trustee
Per:

Per _____
Name and Title of Signing Officer

Hans Rizarri, LIT, CIRP - Licensed Insolvency Trustee
2 St. Clair Ave East, Suite 1100
Toronto ON M4T 2T5
Phone: (416) 929-2500 Fax: (416) 929-2555
E-mail: Frances.Doria@CroweSoberman.com

APPENDIX

‘B’

- Creditor Mailing List -

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

Creditor Type	Name	Attention	Address	Claim \$
Director	ALAIN CHI CROUINE		1755 JANE STREET Toronto ON M9N 2S5	
Contingent	Allevio Clinic # 1 Toronto Inc.		240 duncan Mill Road # 101 Toronto ON M3B 3S6	1.00
	Jamshid Hussaini, Neelofar Ahmadi, and Homelife Dreams Realty Inc.	Ivan Merrow	Miller Thomson LLP 60 Columbia Way, Suite 600 Markham ON L3R 0C9	1.00
	Mann Engineering Ltd		101-150 Bridgeland Ave. Toronto ON M6A 1Z5	1.00
	Neelofar Ahmadi			1.00
	YYZ Plumbing Inc.	Josh Rubin	153 Bridgeland Ave, Unit 18 Toronto ON M6A 2Y1	1.00
Secured	Dan Realty Corporation, E.Manson Investements Limited, Copperstone Investements Limited	Larry Zimmerman	c/o Zimmerman Associates, Barristers & Solicitors 3338 Dufferin St Toronto ON M6A 3A4 Fax: (416) 489-6222 larry@zimlaw.ca	7,692,202.45
	E.Manson Investements Limited, Copperstone Invesements Limited	Larry Zimmerman	c/o Zimmerman Associates, Barristers & Solicitors 3338 Dufferin St. Toronto ON M6A 3A4 Fax: (416) 489-6222 larry@zimlaw.ca	1,420,000.00
	Treasurer, City of Toronto	George Charoopoulos, Collections Department	North York Civic Centre, Lower Level 5100 Yonge Street North York ON M2N 5V7 Fax: (416) 395-6703 gecharoc@toronto.ca	1,441,179.66
Unsecured	Aluin Cheeroune		240 Duncan Mill Road, Suite 801 Toronto ON M3B 3S6	10,000,000.00
	Caruda Holdings		240 Duncan Mill Road Toronto ON M3B 3S6	500,000.00
	City of Toronto (Water & Solid Waste)		Box 6000, Toronto ON M2N 5V3	2,000.00
	CRA - Tax - Ontario	Quebec Insolvency Intake Centre	Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9 Fax: (866) 229-0839 era-arc_tax-lise_ins_t-f_g@era-arc.ge.ca	10,000.00
	CRA - Tax - Ontario	Quebec Insolvency Intake Centre	Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9 Fax: (866) 229-0839 era-arc_tax-lise_ins_t-f_g@era-arc.ge.ca	115,000.00
	Daikin Applied Canada Inc.		P.O. Box 15098 Station A Ontario, Toronto ON M5W 1C1	9,000.00

- Creditor Mailing List -

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

Creditor Type	Name	Attention	Address	Claim \$
Unsecured	Devry Smith Frank LLP	James Satin	100 - 95 Barber Greene Road North York ON M3C 3E9 Fax: (416) 449-7071 james.satin@devrylaw.ca	1,00
	Enbridge Gas Distribution - Ontario	Back Office Collections Department	PO Box 650 Scarborough ON M1K 5E3 Fax: (888) 882-5638 customercare@enbridge.com	1,500.00
	Extreme Measures Inc.		55 Avenue Road West Tower, Suite 2910 Toronto ON M5R 3L2	1,000.00
	GDI Services (Canada) LP		60 Worcester Road ETOBICOKE ON M9W 5X2	85,000.00
	Gowling Lafleur Henderson LLP-Toronto		1600 - 100 King St. W. First Canadian Place Toronto ON M5X 1G5 Fax: (416) 862-7661 info@gowlings.com	500,000.00
	Hantec Control Systems Inc.	Steve Han	479 Rougemont Drive Unit #1 Pickering ON L1W 2B8	1,000.00
	Holand Automotive Group		6700 St. Jacques St. West Montreal QC H4B 1V8	157.00
	Indy Electric Solutions	Indy Woodstock	3020 Keele Street, Unit 347 Toronto ON M3M 2H3	2,000.00
	MTCC 918		Berkley Property Management 3100 Steeles Ave West, Suite 100 Concord ON L4K 3R1	1,200.00
	ProFire Safety Services		1 - 15 Kenview Blvd Toronto ON L6T 5G5	10,000.00
	Rogers Communications Proposals c/o FCT Default Solutions	Insolvency Department	PO Box 2514 Stn B London ON N6A 4G9 Fax: (647) 439-1419 dsinsolvency@collectlink.com	1,000.00
	Stanley Access Technologies		P.O. Box 9218 Postal Station A Toronto ON M5W 3M1	856.09
	Toronto Court Services - Ticket 4860	Collections	137 Edward Street 2nd Floor Toronto ON M5G 2P8	25,000.00
	Toronto Hydro-Electric Systems Limited	Josephine Pernarell / Mary Degroot	500 Commissioners St, 2nd fl Toronto ON M4M 3N7 Fax: (416) 542-3574 collections@torontohydro.com	125,000.00
	Wesco Distribution Canada LP		475 Hodd Road, Markham ON L3R 0S8	4,000.00

APPENDIX

‘C’

Bankruptcy and Insolvency Act
PROOF OF CLAIM (PROPERTY)

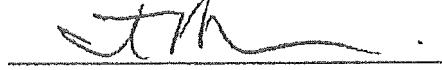
IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO and the claim of Neelofar Ahmadi, creditor.

I, Neelofar Ahmadi, of the Town of Richmond Hill in the Province of Ontario, DO HEREBY CERTIFY:

1. That I am the claimant.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on the 13th day of April, 2018, 1482241 Ontario Limited (the "Debtor") filed a Proposal under Part III Division 1 of the *Bankruptcy and Insolvency Act* (Canada).
4. That on that date the property enumerated in the document(s) attached and marked "A" was in the possession of the Debtor, and still remains in the possession of the Debtor and the trustee pursuant to the Order of Justice Hainey dated March 16, 2018.
5. That the claimant hereby claims that property, or interest in it, by virtue of the document(s) attached and marked "A" and "B", namely:
 - (i) The claimant claims a five percent (5%) beneficial interest in the real property described as LT 82-83 PL 7607 NORTH YORK; PT LT 84 PL 7607 NORTH YORK PT 2, RS 1284; TORONTO (N YORK), CITY OF TORONTO and known municipally as 240 Duncan Mill Road, Toronto, Ontario; and identified as Parcel Identifier Number 100880069 (the "Property", which term also includes the chattels, fixtures, equipment and leases and rental agreements relating thereto and extends to any proceeds arising therefrom, including, but not limited to, the proceeds arising under the Order of Justice Hainey dated March 16, 2018);
 - (ii) The claimant's claim to the above-noted interest in the Property is based upon the following documents, copies of which are attached hereto:
 - (A) Trust Declaration dated September 21, 2005 between 1482241 Ontario Limited, as Trustee, and Alain Checroune, as Beneficiary;
 - (B) Amended Trust Declaration dated June 22, 2012 between and among 1482241 Ontario Limited, as Trustee, Alain Checroune, Jamshid Hussaini and Neelofar Ahmadi; and
 - (C) my Affidavit sworn November 2, 2017, filed previously in the Debtor's proposal proceedings (Court File No. 31-2303814) [previously delivered to the Proposal trustee].
6. That the claimant is entitled to demand from the Debtor and the Trustee the return of the Property enumerated in these documents.
7. That I hereby demand that the Trustee return to me the Property enumerated in the document(s) within the 15 days after the filing of this form, or within the 15 days after the first meeting of the creditors of the Debtor, whichever is the later.

SWORN before me at the City of Vaughan, in the Province of Ontario, this 25th day of April, 2018.

Commissioner of Oaths
for the Province of Ontario



IVAN MERROW
LAWYER

30900176.1



NEELOFAR AHMADI

Signature of Claimant

“A”

"A"

TRUST DECLARATION

THIS AGREEMENT made as of the 21st day of September, 2005.

BETWEEN:

1482241 ONTARIO LIMITED

(hereinafter called the "Trustee")

OF THE FIRST PART

- and -

ALAIN CHECROUNE

(hereinafter called the "Beneficiary")

OF THE SECOND PART

FOR GOOD AND VALUABLE CONSIDERATION (the receipt and sufficiency of which are hereby acknowledged by the parties hereto) the parties hereto agree as follows:

1. The Trustee acknowledges and agrees that it holds legal title to the lands and premises more particularly described on Schedule A hereto (the "Property") in trust as a bare trustee for the Beneficiary and that it shall have no beneficial interest whatsoever therein.
2. The Trustee agrees to remit to the Beneficiary or as it may direct all revenue owing from the Property to which it holds legal title in any way arising out of or in connection with the Property.
3. The Trustee agrees that it will from time to time execute and deliver at the request of the Trustee, such instruments or documents as may be required to convey legal title to the Property, and where the Property is comprised of parcels capable of being conveyed separately, then to any of such parcels, to the Beneficiary or as it may direct.
4. The Beneficiary shall fully and completely indemnify and save harmless the Trustee from all liability, claims, charges, encumbrances, obligations, responsibilities or omissions and all costs and expenses, including legal costs and expenses, in connection with the Property and the hotel within which it is situated during the entire period of time that the Trustee holds legal title to the Property pursuant to this Agreement, including, without limitation, payment of taxes and levies, condominium fees and charges, utilities, repairs, insurance, maintenance, mortgage principal and interest.
5. The Trustee agrees to execute and deliver or cause to be executed and delivered to the Beneficiary such instruments as further assurance as may be requested by the Beneficiary to give effect to the terms of this Agreement.
6. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the Trustee and the Beneficiary have executed this Agreement as of the date above first written.

1492241 ONTARIO LIMITED

Per:


Alain Checroune, A.S.O.

"I have the authority to bind the corporation."


ALAIN CHECROUN

Schedule "A"

LT 82-83 PL 7607 NORTH YORK; PT LT 84 PL 7607 NORTH YORK PT 2, RS 1284; TORONTO (N
YORK), CITY OF TORONTO; and identified as Parcel Identifier Number ("PIN") 100880069
comprising approximately 11,650 m²

“B”

"B"

AMENDED TRUST DECLARATION

DATED June 22, 2012.

BETWEEN:

1482241 ONTARIO LIMITED

(hereinafter called the "Trustee")

OF THE FIRST PART

- and -

ALAIN CHECROUNE

OF THE SECOND PART

- and -

JAMSHID HUSSAINI

OF THE THIRD PART

- and -

NEELOFAR AHMADI

OF THE FOURTH PART

WHEREAS the Trustee and Alain Checroune, as beneficiary, entered into a trust declaration dated as of September 21, 2005, as amended (collectively the "Declaration");

AND WHEREAS the parties hereto (collectively the "Parties") desire to further amend the Declaration as hereinbelow set forth; ---

NOW THEREFORE, for good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The Declaration remains in full force and effect, unamended except as may be indicated herein.
2. Defined terms not otherwise defined herein shall have the meanings attributed thereto in the Declaration.
3. Alain Checroune, being the beneficial owner of one hundred percent (100%) of the interest in the Property, hereby transfers and assigns twenty percent (20%) of his interest in the Property, including the chattels, fixtures, equipment and leases and rental agreements relating thereto (collectively the "Property and Assets"), as follows:
 - (a) As to fifteen percent (15%), to Jamshid Hussaini; and

(b) As to five percent (5%) to Neelofar Ahmadi
and does hereby direct the Trustee to record this transaction on its books and records.

4. In view of the foregoing, the Trustee acknowledges and declares that it is now holding:

- (a) A fifteen percent (15%) interest in the Property and Assets in trust for Jamshid Hussain;
- (b) A five percent (5%) interest in the Property and Assets in trust for Neelofar Ahmadi; and
- (c) An eighty percent (80%) interest in the Property and Assets in trust for Alain Chocroune.

5. This agreement shall ensue to the benefit of and be binding upon the Parties and their respective successors and assigns.

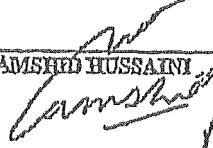
IN WITNESS WHEREOF the Parties have executed this amendment as of the date above first written.

1482241 ONTARIO LIMITED

Per:


Alain Checroun, A.S.O.
"I have the authority to bind the corporation."


ALAIN CHECROUN


JAMSHEED HUSSAINI


NEELO FAR AHMADI

Bankruptcy and Insolvency Act
PROOF OF CLAIM (PROPERTY)

IN THE MATTER OF THE PROPOSAL OF 1482241 ONTARIO LIMITED, OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO and the claim of Jamshid Hussaini, creditor.

I, Jamshid Hussaini, of the _____ in the Province of Ontario, DO HEREBY CERTIFY:

1. That I am the claimant.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That on the 13th day of April, 2018, 1482241 Ontario Limited (the "Debtor") filed a Proposal under Part III Division 1 of the *Bankruptcy and Insolvency Act* (Canada).
4. That on that date the property enumerated in the document(s) attached and marked "A" was in the possession of the Debtor, and still remains in the possession of the Debtor and the trustee pursuant to the Order of Justice Hainey dated March 16, 2018..
5. That the claimant hereby claims that property, or interest in it, by virtue of the document(s) attached and marked "A" and "B", namely:
 - (i) The claimant claims a fifteen percent (15%) beneficial interest in the real property described as LT 82-83 PL 7607 NORTH YORK; PT LT 84 PL 7607 NORTH YORK PT 2, RS 1284; TORONTO (N YORK), CITY OF TORONTO and known municipally as 240 Duncan Mill Road, Toronto, Ontario; and identified as Parcel Identifier Number 100880069 (the "Property", which term also includes the chattels, fixtures, equipment and leases and rental agreements relating thereto and extends to any proceeds arising therefrom, including, but not limited to, the proceeds arising under the Order of Justice Hainey dated March 16, 2018);;
 - (ii) The claimant's claim to the above-noted interest in the Property is based upon the following documents, copies of which are attached hereto:
 - (A) Trust Declaration dated September 21, 2005 between 1482241 Ontario Limited, as Trustee, and Alain Checrone, as Beneficiary;
 - (B) Amended Trust Declaration dated June 22, 2012 between and among 1482241 Ontario Limited, as Trustee, Alain Checrone, Jamshid Hussaini and Neelofar Ahmadi; and
 - (C) my Affidavit sworn November 2, 2017 and the affidavit of Neelofar Ahmadi, sworn November 2, 2017, both of which were filed previously in the Debtor's proposal proceedings (Court File No. 31-2303814) [previously delivered to the Proposal trustee].
6. That the claimant is entitled to demand from the Debtor and the Trustee the return of the Property enumerated in these documents.
7. That I hereby demand that the trustee return to me the Property enumerated in the document(s) within the 15 days after the filing of this form, or within the 15 days after the first meeting of the creditors of the Debtor, whichever is the later.

SWORN before me at the City of _____ in the Province of Ontario, this _____ day of April, 2018.

Commissioner of Oaths
for the Province of Ontario

Signature of Claimant

APPENDIX

‘D’

Estate File No. 31-2303814

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

SUPPLEMENTAL REPORT TO THE TRUSTEE'S INITIAL REPORT TO
CREDITORS ON THE PROPOSAL

May 2, 2018

INTRODUCTION

1. This report (the "Supplemental Report") is prepared by Crowe Soberman Inc. in its capacity as the Proposal Trustee for the Company. Unless otherwise noted, the defined terms used in this Supplemental Report have the same meaning provided to them as in the Trustee's Initial Report to Creditors on the Proposal filed by 1482241 Ontario Limited ("Trustee's Initial Report") dated April 23, 2018.

PURPOSE

2. On April 25, 2018, the Proposal Trustee received two separate Proofs of Claim (Property) from the Hussaini Group (the "Property Claims"). The final determination of the Property Claims may impact the distribution available to unsecured creditors as set out in the Proposal filed by the Company.

BACKGROUND

3. In its Fourth Report to Court dated March 7, 2018, the Proposal Trustee described the receipt of Proofs of Claim (Property) from the Hussaini Group ("Property Claimants"), prior to the calling for claims in the Proposal.
4. On January 30, 2018 the Property Claims were first submitted to the Proposal Trustee. As set out therein, the Property Claims asserted a combined 20% ownership interest in the

Duncan Mill Property, based on certain original and further amended trust declarations entered into between the Hussaini Group and Alain Checroune.

5. At the time of the original receipt of the Property Claims, the Proposal Trustee reviewed the claims with its counsel and issued formal Notices of Disallowance dated February 13, 2018 (the “**Notices of Disallowance**”), without prejudice to the Property Claimants’ rights to resubmit the Property Claims as described below.
6. As set out in the Notices of Disallowance and cover letter, the Proposal Trustee advised the Property Claimants, among other things, that the submission of the Property Claims was premature, and that the Property Claimants were not entitled to assert any position that would impugn the Proposal Trustee’s conveyance of clear title to the Duncan Mill Property as part of the Sales Process. Rather, the Proposal Trustee confirmed that the Property Claimants are only entitled to assert a claim to the proceeds of sale of the Duncan Mill Property. Accordingly, the Notices of Disallowance were issued without prejudice to the Property Claimants’ rights to resubmit the Property Claims in respect of the sale proceeds at the appropriate time, following the sale of the Duncan Mill Property. As indicated in the Trustee’s Initial Report, the Proposal Trustee is currently holding the sale proceeds, net of certain approved payments to secured creditors, pending further Order of the Court.
7. On February 20, 2018, counsel for the Property Claimants wrote to counsel for the Proposal Trustee to request that the Proposal Trustee seek direction from the Court with regard to a formal process to resolve the Property Claimants’ claims prior to making any distributions from the sale proceeds.
8. On February 28, 2018, counsel for the Proposal Trustee received a Notice of Motion to appeal the Notices of Disallowance (“**Notice of Motion**”).
9. On March 5, 2018, counsel for the Proposal Trustee wrote to counsel for the Property Claimants to acknowledge receipt of the Property Claimants’ position as set out in the February 20 and February 28 letters, and to confirm that any request for any distribution

would be made on notice to the Property Claimants, such that they would be assured of having the right to respond and to refile their claim at the appropriate time. The Property Claims were resubmitted on April 25, 2018.

PROPOSED NEXT STEPS

10. In light of the complexity of the issues surrounding the Property Claims, the Proposal Trustee has determined that it cannot make a decision as to the allowance or disallowance of the Property Claims in the context of an ordinary claims process in the Proposal proceeding. Rather, it appears that the issue may require a trial.
11. Should the Property Claims be upheld/determined in favour of the Property Claimants, the amount of the Sales Proceeds to fund the Proposal would be reduced by 20%, and would impact the amount available for ordinary unsecured creditors.
12. The Proposal Trustee intends to seek direction from the Court regarding the determination of the Property Claims, and the administration of the Proposal pending their determination.

MEETING OF CREDITORS AND REQUEST FOR DIRECTIONS

13. The First Meeting of Creditors is scheduled for May 4, 2018 at 2:00 pm at the office of the Proposal Trustee. At the meeting, the Proposal Trustee will formally request an adjournment of the meeting to permit the Proposal Trustee to attend at Court alongside counsel for the Debtor and the Property Claimants to seek the appropriate direction, prior to holding a vote on the Proposal.

All of which is respectfully submitted this 2nd day of May, 2018.

CROWE SOBERMAN INC.

Trustee acting in re: the Proposal of
1482241 Ontario Limited

32464206.2

APPENDIX

‘E’



Crowe Soberman Inc.
Licensed Insolvency Trustee
Member Crowe Horwath International

2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5
416.929.2500 Tel.
416.929.2555 Fax
1.877.929.2501 Toll Free
www.crowesobermaninc.com

District of Ontario
Division No. 9
Court No. 31-2303814
Estate No. 31-2303814

**NOTICE OF DISALLOWANCE OF PROPERTY CLAIMS
RIGHT TO PRIORITY OR SECURITY
(Subsection 81)**

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

TAKE NOTICE THAT, as Trustee of the above estate, we have disallowed your property claim against the estate, for the following reasons:

(a) the property claim is a contingent claim that is subject to an ongoing action in the Ontario Superior Court of Justice (the "Action"). The proposal trustee is unable to decide the matters at issue in the Action.

AND FURTHER TAKE NOTICE THAT if you are dissatisfied with our decision in disallowing your claim in whole or in part, you may appeal to the Court within the 15 day period after the day on which this notice is served or sent, or within such further period as the Court may, on application made within the same 15 day period, allow.

Dated at the City of Toronto, in the Province of Ontario, this May 17, 2018.

CROWE SOBERMAN INC.,
Licensed Insolvency Trustee
Trustee acting in re: the Proposal of
1482241 ONTARIO LIMITED

A handwritten signature in black ink, appearing to read 'John'.

TO:
Neelofar Ahmadi
c/o Miller Thomson LLP
Attn: Craig Mills
40 King Street West, Suite 5800
Toronto, Ontario
M5H 3S1

REGISTERED & ORDINARY MAIL & E-MAIL



Crowe Soberman Inc.
Licensed Insolvency Trustee
Member Crowe Horwath International

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Toronto, ON M4T 2T5
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District of Ontario
Division No. 9
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RIGHT TO PRIORITY OR SECURITY**
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TAKE NOTICE THAT, as Trustee of the above estate, we have disallowed your property claim against the estate, for the following reasons:

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Dated at the City of Toronto, in the Province of Ontario, this May 17th, 2018.

CROWE SOBERMAN INC.,
Licensed Insolvency Trustee
Trustee acting in re: the Proposal of
1482241 ONTARIO LIMITED

A handwritten signature in black ink, appearing to be a stylized 'J' or 'S'.

TO:

Jamshid Hussaini
c/o Miller Thomson LLP
Attn: Craig Mills
40 King Street West, Suite 5800
Toronto, Ontario
M5H 3S1

REGISTERED & ORDINARY MAIL & E-MAIL

APPENDIX

‘F’

**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 1

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;

- (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.

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.

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.

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.

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

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);

- (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 a.m. 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

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

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

APPENDIX

‘G’

**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. Ahmadi & 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.

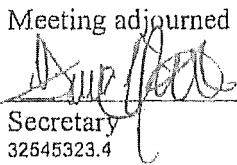
APPOINTMENT OF INSPECTORS

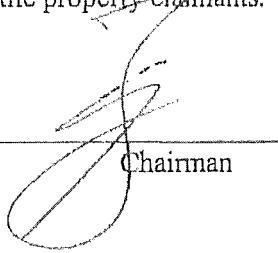
29. The Proposal Trustee asked the creditors in attendance if any wanted to volunteer to act as inspectors. Counsel for the Debtor advised that the Proposal did not call for the appointment of inspectors.

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



ATTENDANCE LIST -
FIRST MEETING OF CREDITORS

LISTE DES PRÉSÉNCES. -
PREMIÈRE ASSEMBLÉE DES CRÉANCIERS

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

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
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: 1482241.ONT 1014644-022744

Creditor Name	Address	POC?	SOAS	Filed \$	Voting \$	Name	Address	Total Liability		Proxy Holder
								Telephone	E-mail	
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 Sicusothy-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

**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 1

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;

- (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. 1 (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 Checrune, Alain Checrune 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(I) 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.

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.

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.

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 counsl, 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.653 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.

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

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);

- (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 a.m. 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

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 Checque

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

APPENDIX

‘H’

10:00 A.M.

COUNSEL SLIP

H

COURT FILE NO 31-2303814

DATE APR 5, 2018

NO ON LIST 3B

1482241 ONTARIO LT).

TITLE OF
PROCEEDING

COUNSEL FOR:

PHONE & FAX NOS

PLAINTIFF(S)

APPLICANT(S)

PETITIONER(S)

COUNSEL FOR:

PHONE & FAX NOS

DEFENDANT(S)

RESPONDENT(S)

Miranda Spence for Proposal Trustee

T. 416-865-3414

F. 416-863-1515

E: rspence@aindberlis.ca

David Ullmann for the Applicant

T: 416 596-4289

416 593-2457

dullmann@blaney.com

April 5, 2018

Ordered to go on the Friday
of the attached. Ordered to be
for Kedaini distribution May
Additional endorsement is attached.
Hadley J

Additional Endorsement

4. THIS COURT ORDERS that the Proposal Trustee be and is hereby authorized, without further Order of this Court, to distribute the sum of up to \$750,000 plus applicable fees, interest and costs, to Caruda Holdings Ltd in its capacity as DIP lender from the proceeds received pursuant to the APS (as defined in the Fourth Report), as further set out in the DIP Lender's ~~proposal~~ ~~it~~ discharge statement to be provided to the Proposal Trustee, which is reviewed and found satisfactory by the Proposal Trustee (the "DIP Discharge Statement"), or in such amount and on such terms as is further ordered by this Court, ~~in the absence of any further objection from the service list following the circulation by the Trustee of this endorsement~~

3/1

Haeie, J

April 5, 2018

APPENDIX

‘I’



Crowe Soberman Inc.
Member Crowe Horwath International
Licensed Insolvency Trustee

2 St. Clair Avenue East, Suite 1100
Toronto, ON M4T 2T5
416.929.2500
416.929.2555 Fax
www.crowesoberman.com

May 16, 2018

**To The Service List in the Matter of the Proposal of 1482241 Ontario Limited
(the "Company")**

Re: Distributions to the DIP Lender Caruda Holdings Ltd. ("Caruda").

Pursuant to the Additional Endorsement of Justice Hainey dated April 5, 2018, the Proposal Trustee was authorized to distribute the sum of up to \$750,000 plus applicable fees, interests, and costs to Caruda in its capacity as the DIP Lender, provided that the Proposal Trustee reviews Caruda's discharge statement (the "DIP Discharge Statement") and finds it satisfactory, and no further objection is received from the service list.

Counsel for the Proposal Trustee advised the service list that prior to making any distribution to Caruda, the Proposal Trustee would review the DIP Discharge Statement and supporting materials, and would solicit feedback from the Service List.

The Proposal Trustee has now reviewed the DIP Discharge Statement dated April 23, 2018. As set out therein, Caruda asserts that it has advanced, or is obligated to pay on the Company's behalf, a total of \$941,314.68 to the Company, of which \$804,726.03 falls within the DIP Charge granted by way of the Order of Justice Hainey dated November 3, 2018. Caruda has filed an unsecured claim for the balance of \$136,588.65 in the Company's proposal proceeding.

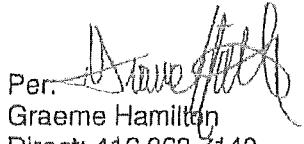
Based on its review, the Proposal Trustee is satisfied that the materials provided by Caruda support an interim payment to Caruda in the amount of \$177,921.73. Absent any objection from the Service List by the close of business on May 22, 2018, the Proposal Trustee will distribute the sum of \$177,921.73 to Caruda on May 23, 2018.

The Proposal Trustee has requested, and is in the process of reviewing, additional supporting materials from Caruda relating to the balance of the request set out in the DIP Discharge Statement.

The Proposal Trustee has scheduled a motion returnable at 10:00 am on June 12, 2018, for the purpose of seeking approval of the Company's proposal, among other relief. The Proposal Trustee anticipates completing its review of the DIP Discharge Statement prior to that attendance, and will be updating interested parties on its progress.

Yours truly,
Crowe Soberman Inc.
Licensed Insolvency Trustee
Acting in re: the Proposal of
1482241 Ontario Limited

 Crowe Soberman,™

Per: 
Graeme Hamilton
Direct: 416.963.7140
graeme.hamilton@crowesoberman.com

APPENDIX

‘J’

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) FRIDAY, THE 20TH
)
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

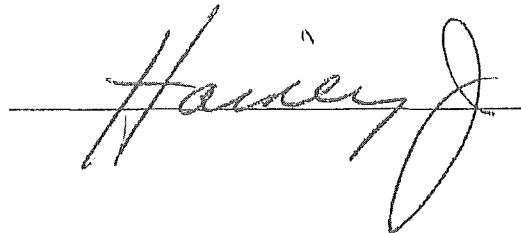
AMENDED ENDORSEMENT

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 "Hainey 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@airdbertilis.com

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

APPENDIX

‘K’

9:30 A.M.

H

COUNSEL SLIP

COURT FILE NO 31-2303814

DATE MAY 18, 2018

NO ON LIST 1 & 4

1482241 ONTARIO LIMITED)

TITLE OF
PROCEEDING

COUNSEL FOR:

PLAINTIFF(S)

APPLICANT(S)

PETITIONER(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)

Proposed Trustee

T 416 2653414

F 416 2631515

E mspenre@aralberlis.com

Milly Y. Fan
Creditor
(2nd Mortgage)

T 416 601 2390

E efan@lerners.ca

G. Benchetti
For First Mortgagors

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

Harvey J

ENDORSED

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 ~~is~~ 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 the before the Trustee is authorized to make any payment to the Debtor.

Hans J

May 18, 2018.

APPENDIX

‘L’

AIRD BERLIS

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.

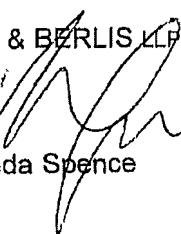
Having regard for all of the foregoing, we make the following comments:

- (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

TAB 3

**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**

**AFFIDAVIT OF HANS RIZARRI
SWORN MAY 29, 2018**

I, Hans Rizarri, of the Town of Caledon, in the Province of Ontario, **AFFIRM** and **STATE THE FOLLOWING TO BE TRUE:**

1. I am a Licensed Insolvency Trustee with the firm of Crowe Soberman Inc. (“Crowe”), the Proposal Trustee of 1482241 Ontario Limited (the “Company”), and as such have personal knowledge of the matters deposed to herein.

2. On October 13, 2017 the Company filed a Notice of Intention to make a Proposal pursuant to Section 50.4 (1) of the *Bankruptcy and Insolvency Act*, Crowe was appointed as the Proposal Trustee by the Official Receiver.

3. This affidavit is made in support of a motion to be made by the Proposal Trustee that seeks, *inter alia*, approval of the fees and disbursements of Crowe in its capacity as Proposal Trustee in respect of services provided in connection with these proceedings.

4. Crowe's detailed statement(s) of account which form the period March 30, 2018 through May 28, 2018, disclose in detail (i) the names, hourly rates and time expended by each person who rendered services, and (ii) description of services rendered for the relevant time period. A chart that summarizes the Receiver's fees and detailed time sheets are attached as Exhibit "1" to this Affidavit.

5. I have been actively involved in this matter. I have reviewed the Crowe detailed statement of account and I consider the time expended and the fees charged to be reasonable in light of the services performed and the prevailing market rates for such services.

Affirmed before me at the City of Toronto
in the Province of Ontario, on this 29th day of
May, 2018

.....
Commissioner for Taking Affidavits, etc.

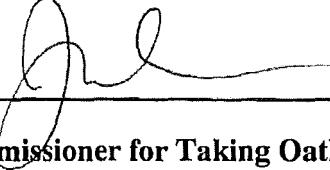
Julia Reznichenko, a Commissioner, etc.,
Province of Ontario, for
Crowe Soberman LLP and its affiliates.
Expires October 5, 2020.

.....
HANS KIZARII

This is Exhibit "1" referred to

in the Affidavit of Hans Rizarri

Sworn before me this 29th day of May, 2018.



A Commissioner for Taking Oaths, in and for

The Province of Ontario

Julia Reznichenko, a Commissioner, etc.,
Province of Ontario, for
Crowe Soberman LLP and its affiliates.
Expires October 5, 2020.

**In the Matter of the Proposal of 1482241 Ontario Limited
Trustee Timesheet for the Period March 30 - May 28, 2018**

<u>Date</u>	<u>Description</u>	<u>Employee</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
4/2/2018	Review statement of adjustments, summarize discrepancies, detailed email to Sheila Andrews, meeting with FX and Sheila Potts re same	JLR	1.5	\$ 220.00	\$ 330.00
4/2/2018	Attendance at Duncan Mill Road . Meeting with David Ullmann, Alain Checroune and debtor staff. Review issues on closing and review of proposal dollar amounts to creditors as per debtor and various issues thereof.	HMR	3	\$ 590.00	\$ 1,770.00
4/3/2018	Ahmadi et al. versus Checroune et al. no stay position by Ahmadi, possible s.69.13 stay for directors review.	HMR	0.2	\$ 590.00	\$ 118.00
4/3/2018	Court hearing re 2nd mortgage and 1.2M payment, correspondence bw legal counsel thereof; court material required and strategy with M.Spence Aird Berlis, planning on same.	HMR	0.7	\$ 590.00	\$ 413.00
4/3/2018	Review of creditors list and proposal initial terms suggested by Alain Checroune; initial dis of same with M.Spence.	HMR	0.5	\$ 590.00	\$ 295.00
4/3/2018	Follow up on payments to first mortgage, property tax; statement of adjustments re security deposits, with staff, send to debtor for review of leases and confirming deposits were paid; review of March rent re adjustments as 7 day deadline	HMR	1.3	\$ 590.00	\$ 767.00
4/3/2018	Commission for real estate agents, continuing issues re Colliers claim, correspondence thereof bw legal counsel; dis with Craig Smith on same.	HMR	0.4	\$ 590.00	\$ 236.00
4/3/2018	Time sheets and fees of proposal trustee as requested by Alain Checroune	HMR	0.5	\$ 590.00	\$ 295.00
4/3/2018	Various emails, calls to/from Sheila Andrews re- discrepancy in March Rent roll, requesting the same in writing.	FX	0.25	\$ 220.00	\$ 55.00
4/3/2018	Process billing worksheet, formatting.	FX	0.65	\$ 220.00	\$ 143.00
4/4/2018	Verify March rent roll with actual cash deposit, revised March rent roll schedule in accordings, verify HST amount	FX	1.5	\$ 220.00	\$ 330.00
4/4/2018	Preparation of statement of adjustments, emails to Laxml & call re: position on security deposits, numerous calls with A&B re: statement of adjustment, reconciliation of same, meetings with HR & FX, numerous email to Sheila Andrews re: disbursement schedule	JLR	2.85	\$ 220.00	\$ 627.00
4/4/2018	Statement of Adjustment : March rent reconciliation between Avison Young report and actual bank deposits, detailed review and provide proposal trustee report on same to Aird Berlis	HMR	0.7	\$ 590.00	\$ 413.00
4/4/2018	Statement of Adjustment : Security deposit review and request to debtor to reconcile asap, no response / negative response by debtor, review of proposal trustee position on same	HMR	0.5	\$ 590.00	\$ 295.00
4/4/2018	Court hearing for tomorrow re distribution of 1.2M 2nd mortgage, dis and corresp with legal counsel throughout day, draft court order review	HMR	0.8	\$ 590.00	\$ 472.00
4/4/2018	Continuing issues re Cushman and Colliers co-op commission objected by debtor, correspondence between parties and legal counsel, dis with M. Spence Aird Berlis, dis with Craig Smith of Cushman, position of proposal trustee on same	HMR	1.2	\$ 590.00	\$ 708.00
4/4/2018	Request by Alain Checroune to attend meeting at Duncan Mill, meeting with debtor rep including David Ullmann, review of proposal creditor schedule, initial dis on proposal terms; dip lender request to be paid and review of issues thereof.	HMR	2.3	\$ 590.00	\$ 1,357.00

4/4/2018	Aird Berlis follow up on disbursements to mortgagees, certificate to be filed by proposal trustee	HMR	0.3	\$ 590.00	\$ 177.00
4/5/2018	Various emails from David Ullmann re dip repayment, responses from legal counsel on same	HMR	0.5	\$ 590.00	\$ 295.00
4/5/2018	David Ullmann request of dip repayment to add to court order despite no motion being made, discussions with M.Spence Aird Berlis on same, dis with JR, position of proposal trustee, review of draft para to be added by David Ullmann	HMR	1.3	\$ 590.00	\$ 767.00
4/5/2018	Report on court attendance by M.Spence re court hearing, endorsement by Justice Hainey re dip repayment and issues thereof re proposal trustee role and position on same; dis of same with David Ullmann, planning and review with staff	HMR	1.2	\$ 590.00	\$ 708.00
4/6/2018	Statement of adjustments post closing, finalize re March rent; review of deposit and position thereof, debtor still not response; Avlson Young reports post filing obligations, receipts and disb, cash position, planning with staff	HMR	2.3	\$ 590.00	\$ 1,357.00
4/6/2018	DIP payout request and court order, analysis, planning with staff, dis with M.Spence on same, dis w D.Ullmann plans of proposal trustee and request for dip information to be available	HMR	0.8	\$ 590.00	\$ 472.00
4/6/2018	Report planned for next court attendance, planning with staff	HMR	0.5	\$ 590.00	\$ 295.00
4/6/2018	Corresp w/ D.Ullmann re DSF writ and position of debtor, corresp from L.Keown DSF thereof	HMR	0.3	\$ 590.00	\$ 177.00
4/6/2018	prep credit adjustement for 3 days rent to the vendor	FX	0.35	\$ 220.00	\$ 77.00
4/6/2018	Numerous emails re: reconciliation statement, review of same, emails from Sheila Andrews & FX, discussion re same	JLR	0.5	\$ 220.00	\$ 110.00
4/9/2018	Enquiry from Marco Calabrese - Ontario Hydro - requiring info of new purchaser, etc, and \$35,000 post filing outstanding to Hydro - GH to deal with this on his return.	AFD	0.25	\$ 285.00	\$ 71.25
4/9/2018	Receipt and review of draft proposal; tele dis with David Ullmann re proposal terms; tele call from Alain Checroune re continuing issues, PT time to date requested, Aird Berlis time to date, planning	HMR	1.3	\$ 590.00	\$ 767.00
4/9/2018	Various re Cushman, dis with M.Spence, request of account from David Ullmann	HMR	0.2	\$ 590.00	\$ 118.00
4/9/2018	Prep total receipts and disbursements based on info provided by Avlson, emails to /from Avlson to verify statement information	FX	2	\$ 220.00	\$ 440.00
4/9/2018	Call with Ullmann re: draft proposal, review of same, notes to HR, emails re: wording and clauses	JLR	1.5	\$ 220.00	\$ 330.00
4/9/2018	Emails re: disbursements with Avlson, review of WIP, email to HR with details, call with Toronto Hydro, create drop box and email to Miranda re: leases to the	JLR	2.5	\$ 220.00	\$ 550.00
4/10/2018	Various emails and calls to/from Richard of Avlson, re- cash receipts and disbursements, and prep total revised receipts and disbursements based on AY info	FX	0.5	\$ 220.00	\$ 110.00
4/10/2018	Tele call from D.Ullmann re dip payment immediately requested by Alain Checroune, proposal terms specific creditors have different specific amounts proposed too, review of issues thereof	HMR	0.6	\$ 590.00	\$ 354.00
4/10/2018	Tele call from M.Spence re proposal terms, issues raised by MT C.Mills on same, position of Proposal Trustee at this time, planning	HMR	0.5	\$ 590.00	\$ 295.00

4/10/2018	Follow up on post closing adjustments with legal counsel and buyer, continuing non-response by debtor-Checrone re security deposit adjustment to credit of buyer, M.Spence letter to D.Ullmann on same	HMR	0.4	\$ 590.00	\$ 236.00
4/10/2018	Report to court for Apr 20 hearing: receipts and disbursements, financial statements of Avison Young review with FX, review of sections of report, time sheet analysis, planning with staff	HMR	2.3	\$ 590.00	\$ 1,357.00
4/10/2018	Tele call from Avison- S.Ichelson- re continuing matters with debtor, rec and disbursements, transition planning, post filing obligations define, prep for report to court	HMR	0.8	\$ 590.00	\$ 472.00
4/10/2018	Review of former mortgagee RBC and issues raised by debtor	HMR	0.3	\$ 590.00	\$ 177.00
4/10/2018	Review WIP, draft fifth report, numerous emails to Miranda, Avison, FX & HR re: reconciliations, review prior reports for definitions and confirmation of reporting requirements.	JLR	4	\$ 220.00	\$ 880.00
4/10/2018	Various emails with Ullmann re: draft proposal and wording re: same, review of reconciliations of expenses, emails with legal re same	JLR	1	\$ 220.00	\$ 220.00
4/11/2018	Various calls, emails to/from Richard re- summary of receipts and disbursements, bank Reconciliation, discrepancy, revised statement.	FX	0.5	\$ 220.00	\$ 110.00
4/11/2018	5th Report of Proposal Trustee: coordinate with staff, review and instructions thereof	HMR	0.7	\$ 590.00	\$ 413.00
4/11/2018	Tele call from Blaneys A.Teoderescu re proposal terms, dip payment request, Blaneys fees request	HMR	0.5	\$ 590.00	\$ 295.00
4/11/2018	Review and finalize WIP for court hearing, review disbursements, emails to HR and GH for review	JLR	2	\$ 220.00	\$ 440.00
4/11/2018	Numerous calls and emails with Alex Teodorescu re: outstanding issues for Trustee's report, DIP lending, Security Deposit adjustment, disbursements for post NOI filing, calls from creditors re: payments, emails with M. Spence re: fees, affidavits, reports	JLR	1.5	\$ 220.00	\$ 330.00
4/12/2018	Research on Deemed Assignment - non filing Proposal, Statement of Affairs; meet with Hans and adjustments, additions & editing of SOA	AFD	2.25	\$ 285.00	\$ 641.25
4/12/2018	Fifth report of trustee, prep and amend same, review and prep of all appendices, various meetings and discussions on same, various calls and emails w counsel on same, review of all previous emails and correspondence on same	GRH	4	\$ 220.00	\$ 880.00
4/12/2018	Prep SOA for execution, review of draft proposal.	GRH	0.5	\$ 220.00	\$ 110.00
4/12/2018	Review of 5th report of Proposal Trustee with staff, instructions thereof	HMR	0.6	\$ 590.00	\$ 354.00
4/12/2018	Meeting with debtor and A.Teoderescu at Duncan Mill, detailed review of proposal, creditors declared by debtor, terms of proposal, various issues thereof, signing of proposal by Alain Checrone	HMR	3.7	\$ 590.00	\$ 2,183.00
4/12/2018	Statement of Affairs review with staff, changes as proposal creditors paid and changes thereof by Alain Cheroune, compile information and circulate; prep for filing of proposal documents	HMR	1.7	\$ 590.00	\$ 1,003.00
4/12/2018	Continuing compilation and changes thereof to 5th report including updates from Avison Young re receipts and disbursements, planning	HMR	0.7	\$ 590.00	\$ 413.00
4/12/2018	Review of WIP, additional comments re: report, numerous calls and emails with Spence & Teoderescu/Ullmann re: proposal filing, review of SOA, requests for outstanding information for the report	JLR	3	\$ 220.00	\$ 660.00
4/13/2018	Amended SOA information, re- contingent creditor, and cash on hand note	FX	0.4	\$ 220.00	\$ 88.00

4/13/2018	Review Caruda DIP supporting docs and prep Q&A to the Trustee	FX	0.4	\$ 220.00	\$ 88.00
4/13/2018	Review of information/documents compiled for 5th report; planning wth staff to complete 5th report	HMR	0.6	\$ 590.00	\$ 354.00
4/13/2018	Continuing matters re dip payment to Caruda and Information obtained to date; tele calls with Laxmi internal accounting for Caruda; receipt and review of information provided by Caruda, review with staff, position of PT, further support requested	HMR	1.6	\$ 590.00	\$ 944.00
4/13/2018	Request by debtor for operating costs, review of previous financials, reasonableness of request, period of time to cover, receipt of letter from Blaneys on same, position of PT	HMR	0.5	\$ 590.00	\$ 295.00
4/13/2018	Finalize 5th report, review of draft court order	HMR	0.4	\$ 590.00	\$ 236.00
4/13/2018	Request by Alain Checroune to attend at Duncan Mill, meeting with and provide 1. security deposit detailed list, purchaser support for adjustments on sale price, promise to provide debtors position on security deposit list.	HMR	0.1	\$ 590.00	\$ 59.00
4/13/2018	Dip repayment to Caruda endorsement by Hanley, J; 3. Avison Young rec disb and bank rec; 4. Proof of claim form and voting letter; 5. trustee's detailed time sheets and disb schedule; continued dis on proposal terms and specific creditors	HMR	2.4	\$ 590.00	\$ 1,416.00
4/13/2018	Finalize 5th report, service, appendices, Issues re same, proposal filing, SOA, numerous calls w counsel, counsel for debtor	GRH	4.5	\$ 220.00	\$ 990.00
4/13/2018	Numerous emails and report review for court, amendments re: same, discussion with GH re: info required, emails from Miranda Spence, review of SOA, request for DIP, review of list of expenses as paid by the DIP lender, analysis to HR	JLR	3.5	\$ 220.00	\$ 770.00
4/16/2018	Send copies of all leases to legal counsel for purchaser, certificate of filing, planning on same, creditor inquiries, call w counsel, review of debtor materials re Interest payments, emails w hydro and review of same,	GRH	1.3	\$ 220.00	\$ 286.00
4/16/2018	Review reports and brief of authorities from Alexandra, emails re: same	JLR	1	\$ 220.00	\$ 220.00
4/17/2018	Update outstanding information for disbursements to be be paid, based on new information from Avison Young, call with estate counsel, call w counsel for debtor, prep for report on proposal, call w trustee on list,	GRH	1.5	\$ 220.00	\$ 330.00
4/17/2018	Continuing Issues re post filing obligations, additional amounts from Avison Young, Laxmi of debtor, planning with GH	HMR	0.7	\$ 590.00	\$ 413.00
4/17/2018	Review of court material from G.Benchlrit re 1st mortgagee position; review of responding material from A.Tedesescu re debtors position; M.Spence correspondence re writ payment to DSF	HMR	1.2	\$ 590.00	\$ 708.00
4/17/2018	Planning re first meeting of creditors with staff	HMR	0.3	\$ 590.00	\$ 177.00
4/17/2018	Tele call from Laxmi re dip payment to Caruda, continuing matters thereof, request to review	HMR	0.4	\$ 590.00	\$ 236.00
4/17/2018	Tele call from D.Ullmann	HMR	0.2	\$ 590.00	\$ 118.00
4/18/2018	Dis wth D.Ullmann re proposal trustee motion for April 20 court hearing: Issues raised post filing obligations, Cushman commission	HMR	0.4	\$ 590.00	\$ 236.00
4/18/2018	Report of trustee on proposal, meeting with staff on same	HMR	0.5	\$ 590.00	\$ 295.00

4/18/2018	Review of proposal as filed, SOA, initial discussion w counsel, issues on same re claims and potential property claimants, emails from counsel for property claimant, receipt of invoices from Avlon Young, BK vs Dlv I analysis, review invoice	GRH	1.25	\$ 220.00	\$ 275.00
4/18/2018	Trustee report on proposal	GRH	3	\$ 220.00	\$ 660.00
4/18/2018	Ongoing review of emails re: report & SOA	JLR	0.4	\$ 220.00	\$ 88.00
4/19/2018	Review of correspondence from counsel, review of post NOI expenses, emails w copperhead, AY, review of DIP materials, calls to counsel, finalize report on proposal and send to counsel for review	GRH	2	\$ 220.00	\$ 440.00
4/19/2018	Trustee's report on proposal, with staff, dis with principal on continuing matters, correspondence from legal counsel, planning to finalize report	HMR	1.2	\$ 590.00	\$ 708.00
4/19/2018	Letter from D.Ullmann debtor opposing post filing obligations and Cushman commission, review of motion material post filing obligations review with staff, dis with M.Spence, proposal trustee's position, planning	HMR	1.3	\$ 590.00	\$ 767.00
4/19/2018	Court hearing planning with staff and M.Spence re latest positions of opposing legal counsel	HMR	0.5	\$ 590.00	\$ 295.00
4/19/2018	Review report of the trustee, discussion with GH and HR re same	JLR	0.65	\$ 220.00	\$ 143.00
4/20/2018	Court attendance, finalize report on proposal, attendance to all issues throughout the day.	GRH	6	\$ 220.00	\$ 1,320.00
4/20/2018	Correspondence with M.Spence, dis with M.Spence pre court attendance, planning	HMR	0.5	\$ 590.00	\$ 295.00
4/20/2018	Request by Alain Checroune, attend meeting at Duncan Mill, with David Ullmann	HMR	2	\$ 590.00	\$ 1,180.00
4/20/2018	Post court hearing discussions with staff; tele call from David Ullmann	HMR	0.6	\$ 590.00	\$ 354.00
4/20/2018	Email review from HR re: court hearing, meeting with GH & HR re: status of filing and upcoming statutory duties	JLR	0.75	\$ 220.00	\$ 165.00
4/23/2018	Finalize and edit to Trustee Initial Report on Proposal	GRH	1	\$ 220.00	\$ 220.00
4/23/2018	Creditor package, prep same, mailing on same, meeting re Caruda DIP, supporting docs on same, review and planning , send banking information for disbursements, review of draft orders, endorsements, update website	GRH	2.25	\$ 220.00	\$ 495.00
4/23/2018	Request by Alain Checroune, attend lengthy meeting at Duncan Mill, with Laxmi review of continuing matters, planning re proposal	HMR	3	\$ 590.00	\$ 1,770.00
4/23/2018	Dip repayment to Caruda: review of documents sent by Laxmi, with staff, endorsement by Justice Halney, planning	HMR	0.8	\$ 590.00	\$ 472.00
4/23/2018	Funds paid to 1482241 and others as per April 20 court order: coordinate with staff	HMR	0.2	\$ 590.00	\$ 118.00
4/23/2018	Corresp D.Ullmann, other legal counsel re endorsement changes	HMR	0.3	\$ 590.00	\$ 177.00
4/23/2018	Proposal Trustee's report on proposal, finalize; creditor mailing package review, coordinate with staff	HMR	1.5	\$ 590.00	\$ 885.00
4/23/2018	Review of information sent by 148 re: advances, meeting with HR & Gh re: same, review of the draft report	JLR	1.5	\$ 220.00	\$ 330.00
4/24/2018	Review of supporting docs for DIP advance, review of invoices and issues re same, meeting with GH re: same	JLR	0.5	\$ 220.00	\$ 110.00

4/24/2018	Finalize mailing, affidavit on same, instructions on same, review of DIP materials, calls w staff at Debtor on same, prep schedule on DIP/back up, closing schedule, prep same and send to counsel, post calls and emails on same, conf calls,	GRH	5.5	\$ 220.00	\$ 1,210.00
4/24/2018	Tele call with Laxmi and Alain Checroune, request of Immediate funds, request of Caruda dip funds now, request of all funds owing to Alain group of companies asap; tele call to D.Ullmann, dis w GH	HMR	0.7	\$ 590.00	\$ 413.00
4/24/2018	Conf call M.Spence & A.Silver re post closing adjustments, request of draft interim statement rec dis D.Ullmann, post closing with GH, review of back up	HMR	0.8	\$ 590.00	\$ 472.00
4/25/2018	Call w counsel on schedule re deposits for closing, review and discussion of same, review of Caruda DIP schedule w HR and next steps on same, issues on supporting docs, update to schedule	GRH	2.5	\$ 220.00	\$ 550.00
4/25/2018	Tele call D.Ullmann re debtors position re process Caruda dip payment; conf call with M.Spence on same, review of Proposal Trustee's position	HMR	0.7	\$ 590.00	\$ 413.00
4/25/2018	Security deposit, statement of adjustments - review continuing issues, draft statement with GH	HMR	0.6	\$ 590.00	\$ 354.00
4/25/2018	Property proof of claim filed by Hussaini group, review of Proposal Trustee's position; review of proposal, previous court proceedings, next steps	HMR	1.2	\$ 590.00	\$ 708.00
4/26/2018	Request for operating expense funds as per Apr 20 court order, review of debtors budget/expenses with GH	HMR	0.5	\$ 590.00	\$ 295.00
4/26/2018	Property proof of claim filed by Hussaini group, some research, Proposal Trustee's position on same, planning, tele to D.Ullmann	HMR	0.8	\$ 590.00	\$ 472.00
4/26/2018	Court Orders, endorsement, revised, finalized	HMR	0.3	\$ 590.00	\$ 177.00
4/26/2018	Second disbursement to debtor, review of schedule on same, review and amend schedule on deposits and re send to debtor for comments, draft Initial srd on sale proceeds, proof of claim, send cpact, draft schedule on closing and amount for proposal fund, research	GRH	4.5	\$ 220.00	\$ 990.00
4/27/2018	Interim SRD, Issues re property claim, DIP request, creditor inquiries, conf call w legal, accounting, statement of adjustments, trustee supp report on proposal, proofs of claim	GRH	3.25	\$ 220.00	\$ 715.00
4/27/2018	Conference call Aird & Berlis - continuing matters	HMR	0.5	\$ 590.00	\$ 295.00
4/30/2018	Proof of claims, various calls and emails w counsel on funds, review of request and supporting docs, accounting, review of supp report, schedule on disbursements,	GRH	2	\$ 220.00	\$ 440.00
5/1/2018	Proof of claims, various calls and emails w counsel, update to DIP schedule, call w debtor for supporting documents, additional disbursement of 100k and review of same, emails from debtor counsel on property claim	GRH	2.25	\$ 220.00	\$ 495.00
5/1/2018	D.Ullmann re property claim and position of debtor, options available to debtor, review of proposal trustee's position on same	HMR	0.6	\$ 590.00	\$ 354.00
5/1/2018	Disbursements and Caruda dip continuing issues thereof with legal counsel	HMR	0.5	\$ 590.00	\$ 295.00
5/1/2018	Proposal terms, creditors claim, proof of claim of related parties	HMR	0.4	\$ 590.00	\$ 236.00
5/2/2018	Finalize and circulate report, numerous calls and emails w counsel, next steps on payments, FMC discussion, position of property claimants	GRH	1.5	\$ 220.00	\$ 330.00
5/3/2018	Attend at debtor location, review of continuing matters and issues raised by debtor, steps re creditors meeting tomorrow, position as proposal trustee, chair of meeting, proof of claims, voting procedure, allow disallow, objections marked	HMR	2.5	\$ 590.00	\$ 1,475.00

5/3/2018	Post meeting at debtor location with D.Ullmann, review of continuing matters	HMR	0.5	\$ 590.00	\$ 295.00
5/3/2018	Post meeting at debtor location with GH, planning for creditors meeting, position of proposal trustee on contentious issues review	HMR	1.4	\$ 590.00	\$ 826.00
5/3/2018	Review with staff, debtor dissatisfaction with process, procedures taken by proposal trustee, review of position and legal counsel advise, tele dis with M.Spence on same; meeting with staff to review; planning	HMR	1.8	\$ 590.00	\$ 1,062.00
5/3/2018	Prep for FMC, numerous claims, reviews, proxy, voting letter, review of DIP request, claims by related, calls and emails with counsel and creditors	GRH	4.25	\$ 220.00	\$ 935.00
5/4/2018	Claims review with Graeme - preparing for meeting	AFD	0.5	\$ 285.00	\$ 142.50
5/4/2018	Prep for and attendance at FMC, various reporting and admin, prep schedules, DIP request.	GRH	7	\$ 220.00	\$ 1,540.00
5/4/2018	Prepare for first meeting of creditors, draft schedule of stmnt of adjustments, amended proposal, updated cash flow; planning.	HMR	3	\$ 590.00	\$ 1,770.00
5/4/2018	Chair first meeting of creditors, several meetings, recess, breakouts, confering with debtor and debtor rep as well with creditors	HMR	6	\$ 590.00	\$ 3,540.00
5/4/2018	Preparation for meeting of creditors, review claims, meetings with GH & HR, FMC,	JLR	7	\$ 220.00	\$ 1,540.00
5/7/2018	Review, draft and finalize minutes from FMC, organize materials from meeting for file, send for comment, post follow up w debtor on materials required for viewing claims,	GRH	3	\$ 220.00	\$ 660.00
5/7/2018	Various schedules re payments to debtor, send request to counsel, funding, transfers of funds, calls to property management, requests for additional funds to be reviewed	GRH	1	\$ 220.00	\$ 220.00
5/7/2018	Follow up from creditors meeting, payments, disbursements, minutes	HMR	0.6	\$ 590.00	\$ 354.00
5/8/2018	Process payment for trustee fees per court order	FX	0.15	\$ 220.00	\$ 33.00
5/8/2018	Professional fees, disbursements, court time, structure of motion and call w counsel on same, emails to debtor, update to minutes and send to counsel, various emails with providers on requests for payment, legal fees	GRH	1.25	\$ 220.00	\$ 275.00
5/9/2018	Various calls w counsel, receipt of Orders, questions re funds, emails w debtor, DIP request, website posting.	GRH	1.25	\$ 220.00	\$ 275.00
5/10/2018	Prep for disbursements, review and enter contact and details, GL review, call w counsel, second mortgage payment review, emails re payout DSF-CBLLP funds,	GRH	1.75	\$ 220.00	\$ 385.00
5/11/2018	Call with Avison Young, vendor inquiries, prep for disbursements w FX, emails on funds held in trust, emails from debtor wanting to review invoices, call w Blaney and ABLLP, meeting w HR, process disbursements post NOI	GRH	2.7	\$ 220.00	\$ 594.00
5/14/2018	Send out court approved disbursements, numerous emails w debtor on issues re same, emails w counsel, creditor inquiries, emails on same, follow up on request for supporting docs re DIP	GRH	1.5	\$ 220.00	\$ 330.00
5/15/2018	Finalizing additional payments to post NOI providers, update schedule on same, emails on same, meeting re next report, materials on same, call w counsel on disallowance, correspondence re DIP payment, draft disallowance, conf call	GRH	3.25	\$ 220.00	\$ 715.00

5/15/2018	Disbursement schedule per court order, complaints by A.Checroune not to pay certain amounts, review of Proposal Trustee position on same, dis with M.Spence	HMR	1.2	\$ 590.00	\$ 708.00
5/15/2018	Attend meeting with Copperhead Mechanical and their position re validity of disbursement; Avison Young approval, purchase order re Copperhead payments	HMR	1.6	\$ 590.00	\$ 944.00
5/15/2018	Review of Caruda dip payment and amount supported, planning on same, reporting to parties, dis with M.Spence, planned email to service list on portion to be paid, review A.Checroune request for additional expenses of debtor to be paid, mechanics on how to	HMR	1.3	\$ 590.00	\$ 767.00
5/15/2018	Review of court material for May 18 court hearing, position of Proposal Trustee thereof, dis of attendance M.Spence, planning	HMR	0.8	\$ 590.00	\$ 472.00
5/16/2018	Disallowance, finalize correspondence, emails to debtor/creditor, vendors on payment, update schedule, emails re funds held in trust, additional may funds requested, follow up on same, proofs of claims	GRH	2.25	\$ 220.00	\$ 495.00
5/16/2018	Caruda dip report, disallowance of property claim, correspondence to service list, discussion with legal counsel	HMR	2.6	\$ 590.00	\$ 1,534.00
5/17/2018	Sixth report of Proposal Trustee, request for funds, DIP review	HMR	2.6	\$ 590.00	\$ 1,534.00
5/17/2018	Various calls w vendors re payments, call w counsel on dip correspondence, sending disallowance claims, call w DU requesting docs and sending of same, conf call w Ullman and Miranda	GRH	2	\$ 220.00	\$ 440.00
5/17/2018	Sixth report of Proposal Trustee	GRH	1.75	\$ 220.00	\$ 385.00
5/17/2018	Review emails from legal	JLR	0.3	\$ 220.00	\$ 66.00
5/22/2018	Review with GH re May 18 court hearing request of 200k additional from debtor; proposal trustee position on Caruda dip payment; planning	HMR	0.6	\$ 590.00	\$ 354.00
5/22/2018	Review previous emails re court attendance, review of order, endorsement, filing, call w counsel, request of addtional fees, discuss report and next steps, timing of same, draft of report	GRH	2	\$ 220.00	\$ 440.00
5/23/2018	Disbursement, meeting w HR on next steps re request, FMC, call w counsel, payments, review of correspondence, review of minutes	GRH	1.35	\$ 220.00	\$ 297.00
5/23/2018	Continuing matters re Caruda dip, request for add'l 200k and proposal trustee's position thereof, Instr to GH; draft letter from M.Spence for review re position of proposal trustee on same, planning with GH	HMR	1.3	\$ 590.00	\$ 767.00
5/24/2018	Call with M.Spence planning re report to court for June 12 court hearing; review with GH, planning on same	HMR	1.8	\$ 590.00	\$ 1,062.00
5/24/2018	Review of cash flow, prep updated for request, creditor inquiries, creditor minutes, call w counsel	GRH	1.25	\$ 220.00	\$ 275.00
5/24/2018	6th report of proposal trustee	GRH	1	\$ 220.00	\$ 220.00
5/25/2018	6th report of proposal trustee	GRH	3	\$ 220.00	\$ 660.00
5/28/2018	Draft and review of 6th Report to court, dis with G.Hamilton	HMR	2.8	\$ 590.00	\$ 1,652.00
5/28/2018	Disbursements, review wth FX, instructions on same, various follow up on same, emails to creditors	GRH	0.75	\$ 220.00	\$ 165.00
5/28/2018	Review of report, follow up w counsel, request for WIP for affidavit, and prep fee affidavit	GRH	1	\$ 220.00	\$ 220.00

5/28/2018 Process final outstanding vendor disbursements re- operating expenses as per court order

FX	0.4	\$ 220.00	\$ 88.00
	<u>232.95</u>		<u>\$ 86,520.00</u>

Employee

Frances Doria- Estate Administrator
Fei Xue- Estate Administrator
Graeme Hamilton- Analyst
Hans Rizarri- Licensed Insolvency Trustee
Julia Reznichenko- Licensed Insolvency Trustee

Hours	Rate	Amount
3	\$ 285.00	\$ 855.00
7.1	\$ 220.00	\$ 1,562.00
92.1	\$ 220.00	\$ 20,262.00
94.8	\$ 590.00	\$ 55,932.00
35.95	\$ 220.00	\$ 7,909.00
<u>232.95</u>		<u>\$ 86,520.00</u>

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

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

FEE AFFIDAVIT OF HANS RIZZARI

Hans Rizarri, CPA, CA, CIRP, LIT
Trustee License No. 2680

Crowe Soberman Inc.
Licensed Insolvency Trustee
2 St Clair Avenue East, 12th Floor
Toronto, Ontario,
M4T 2T5
Tel: 416-929-2500
Fax: 416-929-2555
hans.rizarri@crowesoberman.com

TAB 4

**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**

**AFFIDAVIT OF IAN AVERSA
(sworn May 31, 2018)**

I, IAN AVERSA, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY AS FOLLOWS:**

1. I am a lawyer at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP is acting as counsel for Crowe Soberman Inc. in its capacity as proposal trustee of 1482241 Ontario Limited (in such capacity, the “**Proposal Trustee**”).
2. Aird & Berlis LLP has prepared statements of account in connection with its mandate as counsel to the **Proposal Trustee**, detailing its services rendered and disbursements incurred, namely:
 - (a) an account dated April 30, 2018 in the amount of \$29,169.95 in respect of the period from March 7, 2018 to April 30, 2018.

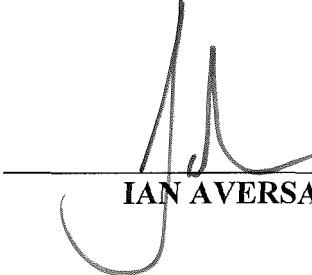
(the “**Statement of Account**”). Attached hereto and marked as **Exhibit “A”** to this Affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$428.71.

3. Attached hereto and marked as **Exhibit “B”** to this Affidavit is a chart detailing the lawyers, law clerks and articling students who have worked on this matter.

4. This Affidavit is made in support of a motion to, *inter alia*, approve the attached accounts of Aird & Berlis LLP and the fees and disbursements detailed therein, and for no improper purpose whatsoever.

SWORN before me at the City of)
Toronto, in the Province of Ontario)
this 31st day of May, 2018)

A. Collins
A commissioner, etc.


IAN AVERSA

Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF IAN AVERSA

Sworn before me

this 31st day of May, 2018

A handwritten signature in black ink, appearing to read "ian aversa", is written over a horizontal line.

Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:

AIRD BERLIS

Brookfield Place, 181 Bay Street, Suite 1800
Toronto, Ontario, Canada M5J 2T9
T 416.863.1500 F 416.863.1515
airdberlis.com

Crowe Soberman Inc.
1100-2 St. Clair Avenue East
Toronto, ON
M4T 2T5

Attention: Hans M. Rizarri

Account No.: 596836

PLEASE WRITE ACCOUNT NUMBERS
ON THE BACK OF ALL CHEQUES

File No.: 48389/141309

April 30, 2018

Re: Proposal of 1482241 Ontario Limited and 240 Duncan Mill Road

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended April 30, 2018

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
DS	07/03/18	\$260.00	0.20	\$52.00	Pull cases for Brief of Authorities
DS	07/03/18	\$260.00	1.10	\$286.00	Receive instructions from M. Spence regarding serving and compiling motion record; Serve motion record
DS	08/03/18	\$260.00	0.10	\$26.00	Swear Affidavit of Service
MES	01/04/18	\$435.00	0.30	\$130.50	Exchange emails with H. Rizarri, S. Graff re: requests from A. Checroune
SLG	02/04/18	\$795.00	0.30	\$238.50	Telephone call with M. Spence re status and claim of Colliers; review emails re pay out to 2nd mortgagee
MES	02/04/18	\$435.00	2.60	\$1,131.00	Exchange of emails and telephone calls with C. Papadopoulos re: Colliers co- operating broker commission; Exchange emails with relevant parties re: interim payment to second mortgagee; Telephone call with H. Margel re: same; Telephone calls and exchange of emails with H. Rizarri and S. Graff re: various issues arising from closing, payment of co-operating broker commission, interim payment to second mortgagee, payment to first mortgagee; Correspondence with Court re: availability

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
SLG	03/04/18	\$795.00	0.40	\$318.00	Address issue of Colliers commission; email C. Smith at Cushman
AYS	03/04/18	\$395.00	0.30	\$118.50	Correspondence with counsel for first mortgagee re payment of first mortgage funds; Calculate and prepare wire of first mortgagee funds
MES	03/04/18	\$435.00	4.10	\$1,783.50	Telephone calls with C. Mills, L. Keown, A. Pantel, H. Margel, D. Ullmann, H. Rizarri, S. Graff re: various issues relating to distributions to parties; Exchange of emails re: same; Exchange emails and calls re: confirmation of payment to first mortgagee; Correspondence with court re: scheduling motion for distribution; Draft order re: distribution to second mortgagee; Attend to various related issues
JW	03/04/18	\$260.00	1.10	\$286.00	Travel to commercial list to file proposal trustee's certificate; Email D. McMillen re same
DC	04/04/18	\$260.00	0.80	\$208.00	Filing Trustee Proposal Certificate at Commercial List Court
SLG	04/04/18	\$795.00	0.40	\$318.00	Review various emails re distributions and commission arrangements
DS	04/04/18	\$260.00	1.00	\$260.00	Travel to and attend commercial list to file items for April 5 hearing before Justice Hainey
MES	04/04/18	\$435.00	2.90	\$1,261.50	Exchange emails and telephone calls with H. Rizarri re: motion for interim distribution to second mortgagee, statement of adjustment issues, negotiation re: co-operating broker payment; Telephone call with A. Pantel; Emails to service list re: motion for interim distribution to second mortgage; Exchange emails with J. Reznichenko and A. Silver re: statement of adjustments; Receive and respond to emails from S. Graff, H. Rizarri, D. Ullmann re: payout to DIP lender
SLG	05/04/18	\$795.00	0.20	\$159.00	Review emails from D. Ullmann to M. Spence

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	05/04/18	\$435.00	4.60	\$2,001.00	Exchange emails with H. Rizarri, S. Graff, D. Ullmann re: payout to DIP lender; Telephone calls with H. Rizarri, J. Reznichenko re: court attendance; Exchange emails with D. Ullmann re: form of order; Attend at court for order for interim distribution to second mortgagee; Arrange for payment to second mortgagee; Email to service list re: order and endorsement; Exchange emails with H. Rizarri and J. Reznichenko re: statement of adjustments; Exchange emails with L. Keown re: closing issues
MES	06/04/18	\$435.00	1.30	\$565.50	Receive and review emails from H. Rizarri and J. Reznichenko re: adjustment issues; Receive emails from D. Ullmann, L. Keown re: delivery of materials on writ issue; Telephone calls with J. Reznichenko and H. Rizarri re: various issues; Receive request from purchaser re: data room
MES	08/04/18	\$435.00	0.10	\$43.50	Email to J. Reznichenko re: request from purchaser
SLG	09/04/18	\$795.00	0.20	\$159.00	Telephone call with H. Rizarri re commissions
MES	09/04/18	\$435.00	2.30	\$1,000.50	Telephone call with J. Reznichenko re: information requested by purchaser; Review email attaching draft proposal; Exchange emails with C. Caplan and J. Reznichenko re: leases; Telephone call with S. Graff re: various issues; Telephone call with L. Keown re: writ issues; Telephone call with H. Rizarri; Exchange emails with C. Smith re: commission issues; Telephone call with C. Mills
MES	10/04/18	\$435.00	2.70	\$1,174.50	Telephone call with J. Reznichenko re: fifth report of the trustee; Review proposal of the debtor; Telephone call with H. Rizarri re: proposal and various other issues; Telephone calls with C. Papadopoulos re: negotiations with Colliers and approach to same; Exchange emails with C. Papadopoulos, S. Sylvester re: commission arrangement; Exchange emails with J.

LAWYER	DATE	RATE/ HOUR	TIME	VALUE	DESCRIPTION
					Reznichenko re: costs to be approved; Exchange emails with A. Silver re: rental adjustments; Draft letter to D. Ullmann re: post-closing adjustments; Revise letter in accordance with H. Rizarri comments
SLG	11/04/18	\$795.00	0.20	\$159.00	Emails re approval of accounts and funds in trust
MES	11/04/18	\$435.00	1.00	\$435.00	Issue letter to D. Ullmann re: calculation of security deposits; Address placement of sale proceeds in interest-bearing account; Receive and review emails re: property taxes; Telephone call and exchange of emails with A. Teodorescu re: approval of debtor's counsel's accounts; Exchange emails with H. Rizarri re: same
ACCT	12/04/18	\$50.00	1.00	\$50.00	Arrange the purchase of a term note; provide written authorization to bank; confirm interest calculations; record transaction in trust register; forward T5 to client; A&B purchased a new 1 year cashable GIC in the amount of \$7,272,577.67 from April 12, 2018 to April 12, 2019 at the interest rate of 0.85%
MES	12/04/18	\$435.00	1.20	\$522.00	Exchange emails with S. Graff and H. Rizarri re: placement of deposit in interest-bearing account; Telephone calls and exchange of emails with G. Hamilton; Receive draft fifth report; Exchange emails with S. Sylvester re: invoice from Cushman; Receive letter from A. Teodorescu re: request for funding
MES	13/04/18	\$435.00	3.90	\$1,696.50	Revise fifth report of the proposal trustee and circulate to Crowe Soberman; Various telephone calls and exchanges of emails with H. Rizarri, G. Hamilton, A. Teodorescu re: issues to be addressed in motion and approach; Review and further revise fifth report of the proposal trustee; Draft notice of motion, Draft order re: interim distributions; Prepare fee affidavit; Finalize motion record for April 20 motion and serve report; Receive service of First Mortgagees' record re April 20 motion

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	15/04/18	\$435.00	0.10	\$43.50	Email to G. Hamilton and J. Reznichenko re: delivery of documents to purchaser
MES	16/04/18	\$435.00	0.50	\$217.50	Telephone call with G. Hamilton re: various issues; Telephone call to YYZ Plumbing; Receive email from R. Cohen re: Bitton litigation
MES	17/04/18	\$435.00	0.50	\$217.50	Telephone call with G. Hamilton re April 20 hearing; Email to D. Ullmann re DSF Writ issue; Telephone call with A. Pantel re: DSF Writ issue
MES	18/04/18	\$435.00	1.00	\$435.00	Telephone calls with G. Hamilton; Telephone call with D. Ullmann re: position on motion; Receive email from C. Mills re: proposal; Exchange emails with H. Rizarri re: proposal; Discussion with S. Graff re: approach to motion
SLG	19/04/18	\$795.00	0.30	\$238.50	Discussion re approach to issues
MES	19/04/18	\$435.00	2.40	\$1,044.00	Exchange emails with A. Pantel re: DSF writ issue; Exchange emails with C. Mills re: proposal; Receive letter from D. Ullmann opposing various matter and email to C. Papadopoulos re: same; Exchange emails with court, G. Benchetrit, D. Ullmann, A. Teodorescu re: time for attendance; Revise orders to be issued at April 20 hearing; Exchange emails with D. Ullmann re: matter to be addressed; Review materials in advance of hearing
SLG	20/04/18	\$795.00	0.20	\$159.00	Review emails re status and approach to resolutions of issues
NS	20/04/18	\$260.00	0.60	\$156.00	Delivered documents to Commercial List Court for M. Spence
MES	20/04/18	\$435.00	5.90	\$2,566.50	Prepare for hearing; Attend at court before Justice Hainey to address issues respecting first mortgage, second mortgage, DSF writ, distributions; Exchange emails with L. Keown re: outcome of hearing; Draft order and endorsement and circulate to parties in attendance; Exchange emails with G. Hamilton re: proposal trustee's report on proposal

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	23/04/18	\$435.00	2.00	\$870.00	Review emails from H. Rizarri re: statement of adjustments; Revise trustee's report on proposal; Revise order and endorsement and circulate; Arrange for wire transfers to DSF and Debtor; Receive emails from D. Ullmann, C. Mills, A. Pantel
MES	24/04/18	\$435.00	2.00	\$870.00	Review and revise order and endorsement of April 20; Exchange emails with D. Ullmann re: same; Arrange for issuance of payments to Colliers and Cushman; Exchange emails with C. Papadopoulos re: same; Telephone calls with H. Rizarri and G. Hamilton re: proposal matters, adjustments, payments to Avison Young; Exchange further emails with D. Ullmann; Telephone call with C. Stanek re: Gowlings claim; Telephone call with A. Silver re: adjustments
PW	24/04/18	\$180.00	0.60	\$108.00	Sealed two Orders of April 8, 2018
MES	25/04/18	\$435.00	1.70	\$739.50	Receive email from G. Hamilton re: creditor package; Exchange emails with A. Silver re: statement of adjustments; Conference call with Crowe Soberman, D. Ullmann re: Caruda request under DIP charge; Further telephone call with G. Hamilton re: same; Revise order and endorsement and email to affected parties; Attend to various related matters
SLG	26/04/18	\$795.00	0.80	\$636.00	Lengthy telephone call with M. Spence, H. Rizarri and G. Hamilton on DIP \$ to debtor, claims and proposal
MES	26/04/18	\$435.00	2.20	\$957.00	Telephone calls with G. Hamilton re various issues; Receive proof of claim from Gowlings; Receive email from D. Ullmann re various issues; Arrange for April 20 order and endorsement to be signed by Justice Hainey; Consider debtor's request for additional funding; Telephone call with G. Hamilton and review of authorities re: vesting of property claim in proposal trustee; Review and comment on statement of receipts and disbursements of sale proceeds

LAWYER	DATE	RATE/HOUR	TIME	VALUE	DESCRIPTION
MES	27/04/18	\$435.00	3.20	\$1,392.00	Discussion with S. Graff re: various matters and next steps; Lengthy conference call with H. Rizarri, G. Hamilton, S. Graff re: same; Review, consider and investigate requests for funding from debtor and Caruda; Correspondence to purchaser's counsel re: adjustments; Draft correspondence to D. Ullmann re: various issues; Further telephone calls with G. Hamilton re: various issues; Attend to various related matters
PW	27/04/18	\$180.00	0.60	\$108.00	Picked up and sealed Order of March 20, 2018
SLG	30/04/18	\$795.00	0.30	\$238.50	Review supplementary report and discussion with M. Spence
TOTAL:		59.20	\$25,379.50		

Name	Hours	Rate	Value
Diana Saturno (DS)	2.40	\$260.00	\$624.00
Miranda E. Spence (MES)	48.50	\$435.00	\$21,097.50
Steven L. Graff (SLG)	3.30	\$795.00	\$2,623.50
Aaron Y. Silver (AYS)	0.30	\$395.00	\$118.50
Jesse Waslowski (JW)	1.10	\$260.00	\$286.00
Dillon Collett (DC)	0.80	\$260.00	\$208.00
Accounting Department (ACCT)	1.00	\$50.00	\$50.00
Nicholas Smith (NS)	0.60	\$260.00	\$156.00
Patrick Williams (PW)	1.20	\$180.00	\$216.00

OUR FEE \$25,379.50
HST at 13% \$3,299.34

DISBURSEMENTS

COST INCURRED ON YOUR BEHALF AS AN AGENT

Wire Charges	\$75.00
Notice of Motion/Application	\$50.00

Total Agency Costs	\$125.00
--------------------	----------

Subject to HST

Tax Certificate	\$67.30
Utility Search	\$45.82
Imaging/Scanning	\$38.25
Deliveries/Pars	\$102.00
Photocopies	\$6.75
Taxi	\$8.85
Photocopies - Local	\$35.00
Binding and Tabs	\$8.50
Travelling Expenses	\$11.52
 Total Disbursements	 \$323.99
HST at 13%	\$42.12
 AMOUNT NOW DUE	 <u>\$29,169.95</u>

THIS IS OUR ACCOUNT HEREIN
Aird & Berlis LLP

Steven L. Graff
E.&O.E.

PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.5% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

32489410.1

Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF IAN AVERSA

Sworn before me

this 31st day of May, 2018



Commissioner for taking Affidavits, etc

STATEMENT OF RESPONSIBLE INDIVIDUALS

Aird & Berlis LLP's professional fees herein are made with respect to the following individuals

Lawyer	Call to Bar	Hrly Rate	Total Time	Value
Graff, S. L	1991	\$795.00	3.3	\$2,623.50
Spence, M. E	2011	\$435.00	48.5	\$21,097.50
Silver, A.Y.	2013	\$395.00	0.3	\$118.50
Clerk/Student	Call to Bar	Avg Hrly Rate	Total Time	Value
Williams, P.	N/A	\$180.00	1.2	\$216.00
Saturno, D.	N/A	\$260.00	2.4	\$624.00
Collett, D.	N/A	\$260.00	0.8	\$208.00
Waslowski, J.	N/A	\$260.00	1.10	\$286.00
Smith, N.	N/A	\$260.00	0.6	\$156.00
Accounting	N/A	\$50.00	1.0	\$50.00

**Standard hourly rates listed. However, in certain circumstances adjustments to the account were made.*

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
Estate No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)
Proceedings commenced at Toronto

AFFIDAVIT OF FEES

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

*Lawyers for Crowe Soberman Inc. in its capacity as the proposal
trustee of 1482241 Ontario Limited*

TAB 5

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE) TUESDAY, THE 12TH
)
JUSTICE HAINES) DAY OF JUNE, 2018
)

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

ORDER re PROPOSAL APPROVAL

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) approving the fifth report of the Proposal Trustee dated April 13, 2018 (the “**Fifth Report**”) and the activities of the Proposal Trustee described therein; (b) approving the sixth report of the Proposal Trustee dated May 31, 2018 (the “**Sixth Report**”) and the activities of the Proposal Trustee described therein; (c) approving the Company’s proposal dated April 13, 2018, as amended on May 3, 2018 (the “**Proposal**”); (d) establishing a dispute resolution process for any objections raised by the Debtor relating to claims filed in the proposal; and (e) 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 Sixth Report of the Proposal Trustee dated May 31, 2018 (the “**Sixth Report**”) and the appendices thereto, the fee affidavit of Hans Rizarri sworn May 29, 2018 (the “**Rizarri Affidavit**”), and the fee affidavit of Ian Aversa sworn May 31, 2018 (the “**Aversa**

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 <*>, 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 Fifth Report and the activities of the Proposal Trustee described therein be and are hereby approved.
3. **THIS COURT ORDERS** that the Sixth Report and the activities of the Proposal Trustee described therein be and are hereby approved.
4. **THIS COURT ORDERS** that the Amended Proposal be and is hereby approved.
5. **THIS COURT ORDERS** that any objections raised by the Company to claims filed by creditors shall be addressed as follows:
 - (a) the Proposal Trustee will make an initial determination as to whether a claim ought to be admitted or disallowed, and will advise the Company of its determination in this regard;
 - (b) the Company will communicate any objection to the admitted claims to the Proposal Trustee, in writing, including the basis for the objection, within seven days of the issuance of the Proposal Trustee's decision in paragraph (a) above;
 - (c) the Proposal Trustee will consider the objection raised by the Company, and will advise the Company and the relevant creditor of its determination of the claim having regard for the Company's objection;

- (d) if the Proposal Trustee admits a claim after having reviewed the Company's objection, the Company may seek to have its objection adjudicated on motion to the Court upon posting, with counsel for the Proposal Trustee, security for costs sufficient to cover the relevant creditor's substantial indemnity costs associated with the objection proceeding; and
- (e) the Proposal Trustee will work with the Company to schedule any objection motions, with the goal of minimizing the number of Court attendances required to address any such motions.

6. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee as described in the Sixth 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.

7. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee's counsel as described in the Sixth Report and as set out in the Aversa Affidavit, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.

8. **THIS COURT ORDERS** that the fees and disbursements of the Debtor's counsel in the sum of \$~~**~~, be and are hereby approved, and the Proposal Trustee is hereby authorized to pay such fees from the Sale Proceeds.

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 PROPOSAL APPROVAL

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
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Email: sgraff@airdberlis.com

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

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
Estate No. 31-2303814

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)
Proceedings commenced at Toronto

MOTION RECORD OF THE PROPOSAL
TRUSTEE
(motion returnable June 12, 2018)

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

Steven L. Graff (LSUC # 31871V)
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