

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ICICI BANK CANADA

Applicant

-and-

2058756 ONTARIO LIMITED

Respondent

THE EIGHTH REPORT OF
A. JOHN PAGE & ASSOCIATES INC.
AS THE COURT APPOINTED RECEIVER
OF CERTAIN OF THE ASSETS OF 2058756 ONTARIO LIMITED

Dated January 15, 2020

Introduction

Pursuant to a motion heard on June 21, 2012, the Honourable Mr. Justice Brown appointed A. John Page & Associates Inc. as receiver and manager ("**the Receiver**") without security of certain of the assets, undertakings and properties of 2058756 Ontario Limited ("**205**") pursuant to Section 243 (1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended ("**the BIA**") and Section 101 of the Courts of Justice Act, R.S.O. 1990, c. 43, as amended. A copy of the order of the Honourable Mr. Justice Brown dated June 21, 2012 is attached as *Exhibit "A"* ("**the Initial Order**").

The mandate covers all the assets of 205 except for the real estate located at 700 Gardiners Road, Kingston, Ontario ("**the Kingston Property**"). The principal asset of 205, apart from the Kingston Property, was real property comprising a 513,500 square foot industrial building located at 100 Central Avenue West, Brockville, Ontario ("**the Brockville Property**" or "**the Property**").

On August 29, 2012 the Receiver made its First Report to the Court ("**the First Report**").

By order of the Honourable Mr. Justice Campbell dated September 11, 2012 ("**the September 11, 2012 Order**") the activities of the Receiver set down in the First

Report were approved. The fees and expenses of the Receiver and its counsel to July 31, 2012 were also approved as was the Statement of Receipts and Disbursements included in the First Report.

The September 11, 2012 Order also authorized the Receiver to market the Brockville Property and approved the selection of CBRE Limited ("**CBRE**") as listing broker for the sale of the Brockville Property. The September 11, 2012 Order also authorized the Receiver to enter into an agreement for the leasing of the Brockville Property with CBRE.

By order of the Honourable Mr. Justice Campbell dated October 10, 2012 Schwartz Levitsky Feldman Inc. was appointed receiver of the Kingston Property upon the application of BPHL Holdings Inc., a creditor with security over the Kingston Property ("**the Second Receivership**").

On February 13, 2013 the Receiver made its Supplement to the First Report

On April 11, 2013 the Receiver made its Second Report to the Court ("**the Second Report**").

On April 24, 2013 the Receiver made its Supplement to the Second Report ("**the Supplement to the Second Report**").

By Order of the Honourable Mr. Justice Wilton-Siegel dated April 25, 2013 ("**the April 25, 2013 Order**") the activities of the Receiver set down in the Second Report and the Supplement to the Second Report were approved. The fees and expenses of the Receiver and its counsel to March 31, 2013 were also approved as was the Statement of Receipts and Disbursements included in the Second Report.

The April 25, 2013 Order also approved the sale of the Brockville Property to Stonewater Properties Inc. ("**the Purchaser**") and vested in the Purchaser, on successful closing, all of 205's right title and interest in the Brockville Property.

On August 8, 2013 the Receiver made its Third Report to the Court ("**the Third Report**").

By Order of the Honourable Mr. Justice Pattillo dated August 26, 2013 ("**the August 26, 2013 Order**") the activities of the Receiver set down in the Third Report were approved. The fees and expenses of the Receiver and its counsel to July 31, 2013

were also approved as was the Statement of Receipts and Disbursements included in the Third Report.

The August 26, 2013 Order also authorized an interim distribution to ICICI Bank Canada (**“the Bank”**) as first secured creditor and established a claims bar date with respect to a potential claim related to an overdrawn bank account with Habib Canadian Bank .

On August 6, 2014 the Receiver made its Fourth Report to the Court (**“the Fourth Report”**).

By Order of the Honourable Mr. Justice Hainey dated August 20, 2014 the activities of the Receiver set down in the Fourth Report were approved. The fees and expenses of the Receiver and its counsel to July 31, 2014 were also approved as was the Statement of Receipts and Disbursements included in the Fourth Report. The Receiver was authorized to pay to the Applicant a further \$500,000 from the funds held by the Receiver.

On November 19, 2014 the Receiver made its Fifth Report to the Court (**“the Fifth Report”**).

By endorsement of the Honourable Mr. Justice McEwen dated January 6, 2015 a potential claim against Nortel Networks Limited (**“Nortel”**) relating to an indemnity given pertaining to environmental contamination at the Kingston Property (**“the Nortel Indemnity Claim”**) was found to be an asset covered by our appointment as Receiver and not an asset of the Second Receivership.

On March 23, 2015 the Receiver made its Sixth Report to the Court (**“the Sixth Report”**). By Order of the Honourable Mr. Justice McEwen dated April 28, 2015 (**“the April 28, 2015 Order”**) the activities of the Receiver set down in the Fifth Report and the Sixth Report were approved. The fees and expenses of the Receiver and its counsel to February 28, 2015 were also approved as was the Statement of Receipts and Disbursements included in the Sixth Report.

The April 28, 2015 Order also approved the filing by the Receiver of a Notice of Dispute to a Notice of Disallowance issued by the Monitor (as hereinafter defined) relating to the Nortel Indemnity Claim and empowered the Receiver with respect to its future dealing with the Nortel Indemnity Claim.

On December 6, 2016 the Receiver made its Seventh Report to the Court (“**the Seventh Report**”). A copy of the body of the Seventh Report is attached as *Exhibit “B”*.

By order of the Honourable Mr. Justice Hainey dated January 24, 2017 (“**the January 24, 2017 Order**”) the activities of the Receiver set down in the Seventh Report were approved. The fees and expenses of the Receiver and its counsel to November 30, 2016 were also approved as was the Statement of Receipts and Disbursements included in the Seventh Report. A copy of the January 24, 2017 Order is attached as *Exhibit “C”*.

Notice to Reader

In preparing this Report and making some of the comments contained in the Report, the Receiver has been provided with unaudited financial and other information from a variety of sources. While the Receiver has no reason to believe that such information not materially correct, readers should note that the Receiver has not formally audited or reviewed such information. In this Report nothing of a material nature is believed to turn on the information not otherwise audited or reviewed for accuracy.

Purpose of this Report

The purpose of this Report is to:

- Provide the Court with information on the activities of the Receiver since our Seventh Report
- Seek approval of the activities of the Receiver and the R&D To Date and the Pro Forma Final R&D as described in this Report
- Seek approval for the fees and disbursements of the Receiver and the Receiver’s legal counsel, Heath Whiteley for the period from December 1, 2016 to the completion of the assignment as set down in fee affidavits
- Seek approval of the settlement with Canada Revenue Agency (“**CRA**”) with respect to the outstanding deemed trust claim for unremitted HST

- Seek an order re the final distribution to the Bank
- Seek an order re unsealing documents and
- Seek an order discharging us as Receiver upon the completion of a small number of closing tasks

The Sale of the Brockville Property

As detailed in the Third Report, the Property was sold to the Purchaser and the transaction closed on April 30, 2013.

The Nortel Indemnity Claim

As detailed further in the Fifth Report and the Sixth Report, 205 had a potential claim against Nortel relating to an indemnity given pertaining to environmental contamination at the Kingston Property. On January 14, 2009 Nortel and several affiliated companies were granted protection under the Companies Creditor's Arrangement Act ("**the CCAA Proceedings**") and Ernst & Young Inc. were appointed monitor in the CCAA Proceedings ("**the Monitor**"). Prior to our appointment, 205 submitted an amended claim for \$14,012,049.62 in the CCAA Proceedings (previously defined as "**the Nortel Indemnity Claim**").

As detailed in the Seventh Report, on May 5, 2015 we and the Monitor reached a settlement by which the Nortel Indemnity Claim was admitted at the amount of \$127,000 ("**the Admitted Claim**").

In July 2017 we received a first distribution on account of the Admitted Claim in the amount of \$57,775.74. In December 2018 we received a second distribution in the amount of \$5,986.40.

We have had brief discussions with the Monitor regarding the windup of Nortel. They were unable to give any estimates as to the likely timing and quantum of any future distributions. Given the magnitude and nature of the Nortel windup it seems to us likely that it will be many years before that file is completed. We do not recommend keeping this estate active pending receipt of any further distributions on account of the Admitted Claim. We note that the Bank's indebtedness from 205 will not be paid in full and, as such, they are the party who should receive any additional recoveries. We therefore propose endorsing over to the Bank any future distributions

on account of the Admitted Claim that we receive unless the amounts received are inconsequential. We do not however plan to monitor the status of the windup of Nortel or any future distributions.

Litigation against the Bank

We understand that 205 is owned by the M.S. Khalid Family Trust (“**the Family Trust**”) and that Malik Khalid is one of the Trustees of the Family Trust. We further understand that Mr. Khalid is the controlling mind behind 205. On or about May 31, 2019 Mr. Khalid and the Family Trust started a legal proceeding (“**the Khalid Litigation**”) against the Bank claiming \$50,000,000 (“**the Khalid Claim**”) relating to its relationship with and lending to Mr. Khalid, the Family Trust and subsidiary companies including 205 and Bayside Mall Limited, another company where we are acting as Receiver. We understand that the Bank has filed a defence against the Khalid Claim.

Receivership Harmonized Sales Taxes (“HST”) Filings

Quarterly since the commencement of this file we have been filing with CRA HST returns reflecting the operations of the receivership. In total we now have a net refund claim relating to HST input tax credits (“**ITC**”)s in excess of the HST on receivership “sales” totalling \$31,690 as at October 31, 2019. (CRA show a claim of a slightly lower amount of \$26,612, primarily because early in the receivership they offset one of our ITC refund claims against their pre appointment claim.) The quantum of our claim will ultimately rise somewhat to incorporate the HST ITCs on fees and expenses being incurred to complete this assignment.

Prior to reaching a settlement with CRA re HST (see below), we did not attempt to directly recover this claim from CRA. Firstly, before considering HST refund claims, CRA usually require all unfiled income tax returns to have been filed. The last income tax return filed by 205 was for the year ended October 31, 2011 so we would have needed to incur the cost of preparing seven sets of financial statements and tax returns to satisfy this condition. Secondly, CRA would then likely have attempted to offset our claim against their pre appointment claim which, as noted below, now totals about \$110,000.

The outstanding ITC refund claim forms part of the overall settlement reached with CRA relating to HST that is detailed below.

Harmonized Sales Taxes Arrears

As noted in the Third Report and the Fourth Report, the status of 205's HST filings was complicated. On June 23, 2014 we received a letter from CRA claiming the amount of \$74,639.61 as a deemed trust priority payment together with unpaid penalties and interest totalling \$10,784.41. We understand that CRA's total claim, including penalties and interest to date, is now of the order of \$110,000.

We performed a cursory review of the deemed trust claim. Given the complexities of the 205 HST accounting we determined we would need further information from CRA in order to be certain that this claim was correct and represented the total amount of unpaid HST forming a deemed trust priority claim. It seemed however to be of the right order of magnitude.

At the date of our last report, we had been informed that the Bank was taking steps to put forward an application for a bankruptcy order with respect to 205. If such an order had been granted then, based on our understanding of the law at that time, any claim for unremitted HST would have no longer had priority over the secured claim of the Bank and given the size of the anticipated shortfall being suffered by the Bank, the HST deemed trust claim would never be paid. On that basis we concluded that there was no need for us to incur the cost of investigating this claim any further at that time.

In the Seventh Report we stated

"We are asking the court for authority to make an interim distribution of a further \$25,000 to or at the direction of the Bank. If the court grants the bankruptcy order that the Bank are concurrently applying for then these funds will be used by the Bank to provide ourselves, as the prospective Licensed Insolvency Trustee, with a deposit to support the Bank's guarantee of the costs of the bankruptcy."

In that regard the January 24, 2017 Order authorized the Receiver to pay to or at the direction of the Bank the sum of \$25,000.

It is our understanding that while the Bank were obtaining the necessary internal approvals in order to proceed with the bankruptcy application they became aware of an outstanding case "Canada v Callidus Capital Corporation" ("**the Callidus Case**") that raised questions over whether or in what circumstances a bankruptcy would "Reverse the priorities" and put their secured claim clearly ahead of the HST deemed

trust claim. They therefore decided to wait until that case had been resolved.

The Callidus Case was heard by the Supreme Court of Canada (“**the SCC**”) on November 8, 2018. The SCC reaffirmed that the bankruptcy of a debtor rendered the HST deemed trust ineffective as against a secured creditor.

We held a meeting with the Bank in January 2019 to determine whether they still planned to proceed with the application for a bankruptcy order. The Bank verbally indicated that they did.

Subsequently, CRA contacted us and asked when payment of the above deemed trust claim might be expected. We wrote to them and informed them of the Bank’s plan to ask the court to place 205 into bankruptcy thereby subordinating their deemed trust claim to the Bank’s secured claim.

As noted earlier, in May 2019, while we were awaiting the Bank’s execution of the guarantee letter that we required as Trustee in order to consent to take on this file if the bankruptcy order is issued, Mr. Khalid and the Family Trust commenced the Khalid Litigation.

We understand that CRA has also been attempting to recover the HST arrears from Mr. Khalid in his capacity as director of 205. While bankrupting 205 would put the Bank’s secured claim ahead of the deemed trust claim it would not extinguish CRA’s claim against Mr. Khalid. Mr Khalid made it be known that he would therefore oppose any attempt by the Bank to bankrupt 205.

On July 24, 2019 we received an Enhanced requirement to pay (“**the Enhanced RTP**”) for \$74,639.61 from CRA dated July 19, 2019. We have attached a copy of the Enhanced RTP as **Exhibit “D”**. We wrote to CRA by letter dated July 24, 2019 (**Exhibit “E”**) indicating that the issuance of the Enhanced RTP contravened the Initial Order. In response to that letter we received a letter dated August 22, 2019 from the Department of Justice (copy attached as **Exhibit “F”**) which indicated that if the \$74,639.61 was not paid by September 20, 2019 they would take steps to bring the matter before the Court.

Our legal counsel, Heath Whiteley, wrote to the Department of Justice on September 17, 2019, indicating that we would bring this matter before the Court and canvassing available dates in late October and November 2019.

He then held settlement discussions with the Department of Justice representing CRA. A settlement has been reached with CRA, subject to court approval, whereby it is proposed that the Receiver pay the sum of \$35,000 to CRA in full and final satisfaction of the HST deemed trust claim of CRA together with all penalties and interest and after taking into account the outstanding input tax credit refund claim of the Receiver.

The Bank supports this settlement. It saves them the cost of attempting to bankrupt 205, it avoids the costs involved in us dealing further with the Enhanced RTP, it brings closure to all outstanding HST related matters and it enables this estate to be wound up at this time, avoiding the ongoing costs involved in keeping the receivership active. There is also a significant benefit to Mr. Khalid as this settlement should extinguish the grounds for CRA's claim against him relating to unpaid HST.

Creditors and the BIA

In accordance with the requirements of the BIA we have been issuing the Interim Reports of Receiver to the Superintendent of Bankruptcy, 205 and any interested creditor every six months. We will issue our Final Report of Receiver contemporaneously with the completion of this assignment.

Fees and Expenses of the Receiver and its Legal Counsel

The fees of the Receiver relating to its activities from December 1, 2016 to the completion of this assignment are as follows:

A. John Page & Associates Inc.

Period	Hours	Fees	HST	Total
December 2016	9.66	\$3,719.10	\$483.48	\$4,202.58
January 2017	6.66	2,461.14	319.95	2,781.09
February 2017	4.50	1,654.50	215.09	1,869.59
March - July 2017	13.58	5,072.19	659.38	5,731.57
August - November 2017	9.31	3,234.85	420.53	3,655.38
December 2017 - July 2018	13.92	4,640.45	603.26	5,243.71
August - December 2018	19.55	6,997.40	909.66	7,907.06
January – April 2019	24.99	9,390.48	1,220.76	10,611.24
May – August 2019	13.58	4,679.20	608.30	5,287.50

Sept. 2019 – Jan. 14, 2020	27.14	9,940.52	1,292.27	11,232.79
	142.89	51,789.83	6,732.68	58,522.51
Estimate to complete	53.00	17,123.00	2,225.99	19,348.99
Total	195.89	\$68,912.83	\$8,958.67	\$77,871.50

The fees and expenses of the Receiver's legal counsel relating to its activities from December 1, 2016 to the completion of this assignment are as follows:

Gardiner Roberts - nil

Heath Whiteley

Period Covered	Fees	Disbursements	HST	Total
December 2016 – January 2017	\$3,280.00	\$227.72	\$435.20	\$3,942.92
May 2017 – April 2019	6,360.00	0.00	826.80	7,186.80
May 2019	1,280.00	0.00	166.40	1,446.40
June 2019 – January 11, 2020	7,350.00	0.00	955.50	8,305.50
Estimate to complete	5,000.00	0.00	650.00	5,650.00
Total	\$23,270.00	\$227.72	\$3,033.90	\$26,531.62

Legal Counsel

We have had no reason to use the services of Gardiner Roberts (Jonathan Wigley) as our independent counsel since our last report. Given the dominant position of the Bank, for reasons of economy we have had the Bank's counsel, Heath Whiteley, assist us where appropriate.

Final Distribution

Although the January 24, 2017 Order authorized us to make a further interim payment of \$25,000 to or at the direction of the Bank we have made no further payments to or at the direction of the Bank since the last report. The total amount distributed to date is \$1,270,000.

As discussed earlier, we had anticipated using the \$25,000 as a deposit to support the Bank's guarantee of the costs of the bankruptcy, once formally executed. However, the settlement with CRA has removed the need to bankrupt 205 so the \$25,000 deposit is no longer required.

Once we have paid the \$35,000 to CRA and have paid all unpaid Receiver's and Legal fees and any outstanding expenses we propose paying the funds on hand, estimated to be \$121,118.41 to the Bank as a final distribution in partial repayment of their secured indebtedness from 205. This payment includes the previously authorized but never paid interim distribution of \$25,000 discussed earlier.

Banking and the Receiver's Statement of Receipts and Disbursements

At the commencement of this assignment, we opened up receivership bank accounts at Royal Bank of Canada and at ICICI Bank Canada. Shortly after their appointment as our property manager Larlyn Property Management Ltd. opened up a separate account at Royal Bank of Canada (**"the Larlyn Royal Account"**) for use in the management of the Property. The Larlyn Royal Account and the receivership account at Royal Bank of Canada have now been closed. Attached as **Exhibit "G"** is a copy of the Receiver's R&D from June 21, 2012 to date combining the three accounts (**"the R&D To Date"**). Attached as **Exhibit "H"** is a copy of the pro forma Final Receiver's R&D (**"the Pro Forma Final R&D"**) that includes, in addition to the transactions in the R&D To Date, the Receiver's estimate of all unpaid disbursements, including the unpaid estimated fees and expenses of the Receiver and legal counsel. The Pro Forma Final R&D also includes the payment to CRA of \$35,000 and the final distribution to the Bank of the net funds on hand after the payment of all such unpaid costs in the estimated amount of \$121,118.41. This payment includes the interim distribution of \$25,000 authorized by the January 24, 2017 Order. In the event that the actual amount of funds on hand is different to the Receiver's estimate and such difference is nominal the Receiver is proposing adjusting the amount it pays to the Bank without further order of the court. In the event that some unanticipated recovery is received, the Receiver is proposing paying over such funds to the Bank without further order of the court. As noted earlier, the Receiver is also proposing endorsing over to the Bank any further distributions we receive related to Nortel.

The incurred and estimated fees and disbursements of the Receiver and Mr. Whiteley through to the completion of this assignment are included as disbursements in the Pro Forma Final R&D. We are asking the court to approve the R&D To Date and

the Pro Forma Final R&D.

Tasks to be undertaken in order to complete this assignment.

- Pay any unpaid Receiver's and Legal Counsel billings and settle any outstanding expenses
- Pay \$35,000 to CRA
- File a final HST return
- Organize and effect the final distribution to the Bank
- Close the Receiver's bank account
- Prepare the actual final R&D ("*the Actual Final R&D*")
- Issue the Certificate of Completion
- Prepare and issue the Final Report of the Receiver in accordance with the requirements of the BIA

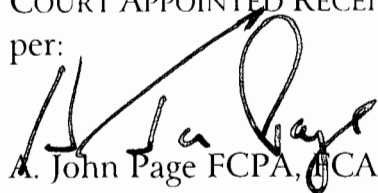
The Receiver is seeking an order of this Court that, upon completion of the above tasks and the filing with this Court of a "Certificate of Completion" attesting thereto and attaching a copy of the Actual Final R&D, the Receiver will be thereupon discharged and the appointment terminated. The Receiver will then prepare and issue the Final Report of Receiver (including the Actual Final R&D) to the Superintendent in Bankruptcy, 205 and any interested creditor in accordance with the BIA.

Notwithstanding the termination of the appointment the Receiver will retain in storage or electronically its key records relating to this assignment for a period of four years from the date of discharge.

** ** *

All of which is respectfully submitted this 15th day of January, 2020

A. JOHN PAGE & ASSOCIATES INC
LICENSED INSOLVENCY TRUSTEE
COURT APPOINTED RECEIVER OF CERTAIN ASSETS OF 2058756 ONTARIO LIMITED
per:



A. John Page FCPA, CICA, LIT
President

**Exhibits to the Eighth Report of
A. John Page & Associates Inc.
as Court Appointed Receiver of Certain Assets of 2058756 Ontario Limited
dated January 15, 2020**

Initial Order	A
The Seventh Report (without exhibits)	B
The January 24, 2017 Order	C
Enhanced requirement to pay dated July 19, 2019	D
Letter to CRA dated July 24, 2019	E
Letter from Department of Justice dated August 22, 2019	F
The R&D to Date	G
The Pro Forma Final R&D	H



Exhibit "A"

**Eighth Report of A. John Page & Associates Inc.
Court Appointed Receiver of Certain Assets
of 2058756 Ontario Limited
Dated January 15, 2020**

Initial Order

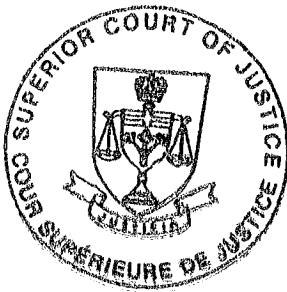
ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE *MR.*) THURSDAY, THE 21st DAY
)
JUSTICE BROWN) OF JUNE, 2012

ICICI BANK CANADA

Applicant

- and -



2058756 ONTARIO LIMITED

Respondent

ORDER
(appointing Receiver)

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing A. John Page & Associates Inc. as receiver and manager (in such capacities, the "**Receiver**") without security, of certain of the assets, undertakings and properties of 2058756 Ontario Limited (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Lionel Meunier sworn May 31, 2012 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, the Respondent and BPHL Holdings Limited ("**BPHL**"), and on reading the consent of A. John Page & Associates Inc. to act as the Receiver and the consent of the Debtor and BPHL to this Order,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, A. John Page & Associates Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor, save and except for the real property known municipally as 700 Gardiners Road, Kingston, Ontario, acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**"). For greater certainty, such proceeds of the Property, shall include all amounts paid and/or payable on or after May 31, 2012 by: (i) Black & Decker Canada Inc.; and/or (ii) Camalor Manufacturing Inc.; to either the Applicant, the Respondent and/or BPHL, or their respective agents, including, without limitation, the following:

- (a) a payment made by Black & Decker Canada Inc. ("**B&D**") by cheque dated June 7, 2012 in the amount of \$263,064.00 and made payable to Samak Management & Construction Inc. ("**Samak**"), for the benefit of the Respondent and on account of the rent for June, 2012 (the "**June B&D Rent**"); and
- (b) a payment made by B&D by cheque for approximately the same amount as in (a) above and made payable to Samak, for the benefit of the Respondent and on account of the rent for July, 2012.

PAYMENT OF CERTAIN PRE-APPOINTMENT PROFESSIONAL FEES

3. THIS COURT AUTHORIZES AND DIRECTS the Receiver to pay out of the June B&D Rent payment the fees and expenses of: (i) Heath Whiteley as counsel to the Applicant; and (ii) A John Page & Associates Inc. as reviewer/monitor (in accordance
up to a maximum of \$25,000, excluding H.S.T.,
towards

with its agreements with the Applicant and the Respondent dated September 13, 2011 and May 15, 2012, respectively); up to the date of this Order, as approved by the Applicant and provided for by the terms of the Applicant's security, *subject to the right of BHL to challenge the amount paid in any subsequent assessment of the accounts of this receivership.* ✓

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor, and nothing herein shall preclude the Receiver from appointing the Debtor as its agent for such purposes;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) with the further approval of the Court, to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the

aggregate consideration for all such transactions does not exceed \$250,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request. All Persons shall inform the Receiver if any of the Records might contain information of third parties that were and remain subject to confidentiality obligations and shall provide the Receiver with details of any such confidentiality obligations. The Receiver shall then keep any such information confidential.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer,

software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or

such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such

information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner*

Protection Program Act. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

FUNDING OF THE RECEIVERSHIP

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may

by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or notice by courier, personal delivery or electronic transmission shall be

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

26. THIS COURT ORDERS that the Plaintiff, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at www.ajohnpage.com.

GENERAL

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

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

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:




JUN 21 2012

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that A. John Page & Associates Inc., the receiver (the "**Receiver**") of certain of the assets, undertakings and properties of 2058756 Ontario Limited (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of _____, 20__ (the "**Order**") made in an action having Court file number __-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

A. John Page & Associates Inc., solely in its
capacity as Receiver of the Property, and
not in its personal capacity

Per: _____

Name:

Title:

B E T W E E N:

ICICI BANK CANADA
Applicant

- AND -

2058756 ONTARIO LIMITED
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

(PROCEEDING COMMENCED AT TORONTO)

ORDER
(June 21, 2012)

Heath P.L. Whiteley
(L.S.U.C. No. 38528P)

Tel: (905) 773-7700

Fax: (905) 773-7666

Email: heath@whiteleylitigation.com

310 Stouffville Road
Richmond Hill, Ontario
L4E 3P4

Lawyer for the Applicant



Exhibit "B"

**Eighth Report of A. John Page & Associates Inc.
Court Appointed Receiver of Certain Assets
of 2058756 Ontario Limited
Dated January 15, 2020**

Seventh Report (without exhibits)

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

ICICI BANK CANADA

Applicant

-and-

2058756 ONTARIO LIMITED

Respondent

THE SEVENTH REPORT OF
A. JOHN PAGE & ASSOCIATES INC.
AS THE COURT APPOINTED RECEIVER
OF CERTAIN OF THE ASSETS OF 2058756 ONTARIO LIMITED

Dated December 6, 2016

Introduction

Pursuant to a motion heard on June 21, 2012, the Honourable Mr. Justice Brown appointed A. John Page & Associates Inc. as receiver and manager ("**the Receiver**") without security of certain of the assets, undertakings and properties of 2058756 Ontario Limited ("**205**") pursuant to Section 243 (1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended ("**the BIA**") and Section 101 of the Courts of Justice Act, R.S.O. 1990, c. 43, as amended. A copy of the order of the Honourable Mr. Justice Brown dated June 21, 2012 is attached as *Exhibit "A"* ("**the Initial Order**").

The mandate covers all the assets of 205 except for the real estate located at 700 Gardiners Road, Kingston, Ontario ("**the Kingston Property**"). The principal asset of 205, apart from the Kingston Property, was real property comprising a 513,500 square foot industrial building located at 100 Central Avenue West, Brockville, Ontario ("**the Brockville Property**" or "**the Property**").

On August 29, 2012 the Receiver made its First Report to the Court ("**the First Report**").

By order of the Honourable Mr. Justice Campbell dated September 11, 2012 ("**the September 11, 2012 Order**") the activities of the Receiver set down in the First

Report were approved. The fees and expenses of the Receiver and its counsel to July 31, 2012 were also approved as was the Statement of Receipts and Disbursements included in the First Report.

The September 11, 2012 Order also authorized the Receiver to market the Brockville Property and approved the selection of CBRE Limited (**“CBRE”**) as listing broker for the sale of the Brockville Property. The September 11, 2012 also authorized the Receiver to enter into an agreement for the leasing of the Brockville Property with CBRE.

By order of the Honourable Mr. Justice Campbell dated October 10, 2012 Schwartz Levitsky Feldman Inc. was appointed receiver of the Kingston Property upon the application of BPHL Holdings Inc., a creditor with security over the Kingston Property (**“the Second Receivership”**).

On February 13, 2013 the Receiver made its Supplement to the First Report

On April 11, 2013 the Receiver made its Second Report to the Court (**“the Second Report”**).

On April 24, 2013 the Receiver made its Supplement to the Second Report (**“the Supplement to the Second Report”**).

By Order of the Honourable Mr. Justice Wilton-Siegel dated April 25, 2013 (**“the April 25, 2013 Order”**) the activities of the Receiver set down in the Second Report and the Supplement to the Second Report were approved. The fees and expenses of the Receiver and its counsel to March 31, 2013 were also approved as was the Statement of Receipts and Disbursements included in the Second Report.

The April 25, 2013 Order also approved the sale of the Brockville Property to Stonewater Properties Inc. (**“the Purchaser”**) and vested in the Purchaser, on successful closing, all of 205’s right title and interest in the Brockville Property.

On August 8, 2013 the Receiver made its Third Report to the Court (**“the Third Report”**).

By Order of the Honourable Mr. Justice Pattillo dated August 26, 2013 (**“the August 26, 2013 Order”**) the activities of the Receiver set down in the Third Report were approved. The fees and expenses of the Receiver and its counsel to July 31, 2013

were also approved as was the Statement of Receipts and Disbursements included in the Third Report.

The August 26, 2013 Order also authorized an interim distribution to ICICI Bank Canada (“**the Bank**”) and established a claims bar date with respect to a potential claim related to an overdrawn bank account with Habib Canadian Bank .

On August 6, 2014 the Receiver made its Fourth Report to the Court (“**the Fourth Report**”).

By Order of the Honourable Mr. Justice Hainey dated August 20, 2014 the activities of the Receiver set down in the Fourth Report were approved. The fees and expenses of the Receiver and its counsel to July 31, 2014 were also approved as was the Statement of Receipts and Disbursements included in the Fourth Report. The Receiver was authorized to pay to the Applicant a further \$500,000 from the funds held by the Receiver.

On November 19, 2014 the Receiver made its Fifth Report to the Court (“**the Fifth Report**”).

By endorsement of the Honourable Mr. Justice McEwen dated January 6, 2015 a potential claim against Nortel Networks Limited (“**Nortel**”) relating to an indemnity given pertaining to environmental contamination at the Kingston Property (“**the Nortel Indemnity Claim**”) was found to be an asset covered by our appointment as Receiver and not an asset of the Second Receivership.

On March 23, 2015 the Receiver made its Sixth Report to the Court (“**the Sixth Report**”). A copy of the body of the Sixth Report is attached as ***Exhibit “B”***.

By Order of the Honourable Mr. Justice McEwen dated April 28, 2015 (“**the April 28, 2015 Order**”) the activities of the Receiver set down in the Fifth Report and the Sixth Report were approved. The fees and expenses of the Receiver and its counsel to February 28, 2015 were also approved as was the Statement of Receipts and Disbursements included in the Sixth Report.

The April 28, 2015 Order also approved the filing by the Receiver of a Notice of Dispute to a Notice of Disallowance issued by the Monitor (as hereinafter defined) relating to the Nortel Indemnity Claim and empowered the Receiver with respect to its future dealing with the Nortel Indemnity Claim. A copy of the April 28, 2015

Order is attached as ***Exhibit “C”***.

Notice to Reader

In preparing this Report and making some of the comments contained in the Report, the Receiver has been provided with unaudited financial and other information from a variety of sources. While the Receiver has no reason to believe that such information not materially correct, readers should note that the Receiver has not formally audited or reviewed such information. In this Report nothing of a material nature is believed to turn on the information not otherwise audited or reviewed for accuracy.

Purpose of this Report

The purpose of this Report is to:

- Provide the Court with information on the activities of the Receiver since our Sixth Report
- Seek approval of the activities of the Receiver as described in this Report and its Statement of Receipts and Disbursements
- Seek approval for the fees and disbursements of the Receiver and its legal counsel to November 30, 2016 as set down in fee affidavits
- To seek approval for an interim distribution of \$25,000
- To seek a full and final release from any and all claims by tenants and former tenants at the Brockville Property

The Sale of the Brockville Property

As detailed in the Third Report, the Property was sold to the Purchaser and the transaction closed on April 30, 2013.

The Nortel Indemnity Claim

As detailed further in the Fifth Report and the Sixth Report, 205 had a potential claim against Nortel relating to an indemnity given pertaining to environmental contamination at the Kingston Property. On January 14, 2009 Nortel and several

affiliated companies were granted protection under the Companies Creditor's Arrangement Act ("**the CCAA Proceedings**") and Ernst & Young Inc. were appointed monitor in the CCAA Proceedings ("**the Monitor**"). Prior to our appointment, 205 submitted an amended claim for \$14,012,049.62 in the CCAA Proceedings (previously defined as "**the Nortel Indemnity Claim**").

The Nortel Indemnity Claim was comprised of two components, the first, the liquidated portion ("**the 205 Incurred Cost Claim**"), represented costs already incurred in respect of environmental issues at the Kingston Property covered by the Nortel Indemnity. The second, the unliquidated portion ("**the Future Cost Claim**"), represented the costs to be incurred.

As detailed further in the Sixth Report the Monitor's legal counsel had sent a "Notice of Disallowance" purporting to admit only \$15,000 of the Nortel Indemnity Claim and disallow the balance. In response we sent a "Notice of Dispute".

We indicated that we thought that the Future Cost Claim was valueless and that we proposed formally abandoning or withdrawing it. We indicated that the 205 Incurred Cost Claim appeared to be made up of invoices totalling about \$200,000 and that we proposed pursuing this portion of the Nortel Indemnity Claim.

The Monitor referred our Notice of Dispute to the CCAA Proceedings claims officer, Mr. Andrew Diamond, for resolution. We held one preliminary conference call with Mr. Diamond and the Monitor on April 15, 2015 at which time it was agreed that the parties should wait until after the forthcoming receivership court hearing scheduled for April 28, 2015 and that, if no resolution of the claim could be reached shortly after that hearing, a timetable for productions and a hearing (if required) be established. Before and after that conference call certain additional documents were exchanged.

The April 28, 2015 Order approved our filing of the Notice of Dispute. It also authorized us to, at our option, withdraw or abandon the Future Cost Claim and, without further attendance or approval, litigate the Notice of Disallowance or enter into a compromise or settlement of the 205 Incurred Cost Claim.

On May 5, 2015 we and the Monitor reached a settlement by which the Nortel Indemnity Claim was admitted at the amount of \$127,000 ("**the Admitted Claim**").

We do not know at this time when any distribution will be made on account of the

Admitted Claim or the likely amount of that distribution. Press commentary puts the likely pay out however in excess of 40 cents on the dollar at this time. While there is a secondary market for claims against Nortel we concluded that, given that there are other unresolved issues delaying the finalization of this file we would likely wait for the distribution rather than incur more costs attempting to consummate a sale in that secondary market, likely at a discount.

Harmonized Sales Taxes (“HST”)

As noted in the Third Report and the Fourth Report, the status of 205’s HST filings was complicated. On June 23, 2014 we received a letter from CRA claiming the amount of \$74,639.61 as a deemed trust priority payment together with unpaid penalties and interest totalling \$10,784.41.

We performed a cursory review of this claim. Given the complexities of the 205 HST accounting we determined we would need further information from CRA in order to be certain that this claim was correct and represented the total amount of unpaid HST forming a deemed trust priority claim. It seemed however to be of the right order of magnitude.

We have been informed that the Bank is concurrently putting forward an application for a bankruptcy order with respect to 205. If such an order is granted then any claim for unremitted HST will no longer have priority over the secured claim of the Bank and given the status of that claim the HST claim will never be paid. On that basis there will be no need for us to investigate this claim any further.

Property Tax Refunds

We had previously filed property tax assessment appeals and vacancy rebate claims and as at August 6, 2014, the date of our Fourth Report, had recovered \$535,311.82 on account of property taxes and interest previously paid by us.

The last of these recoveries had been paid out in early July 2014. The payments came without backup documentation. Our initial and cursory review of the amounts paid suggested that a larger amount should have been paid to take into account the refund of interest previously paid on property taxes that had now been refunded. We contacted the City of Brockville to obtain more information and in October 2014 received a further \$46,920.55 on account of the refund of interest previously paid. The payment again came without any backup documentation. We requested and

reviewed that documentation and based on that documentation estimated that a further approximately \$56,000 should have been paid. We contacted the City of Brockville a number of times to have them review our calculations with the aim of effecting a further refund of the additional amount. We were eventually successful in effecting an additional recovery of \$41,478. In total we have recovered \$623,709.90 on account of previously paid property taxes and interest (**“the Property Tax Refunds”**).

We then undertook a review to see whether either of the two parties who were tenants during the period from June 21, 2012 to April 30, 2013 (**“the Receivership Period”**) when we were in charge of the Brockville Property (namely Black & Decker Canada Inc. (**“Black & Decker”**) and Camalor Manufacturing Inc. (**“Camalor”**)) might be entitled to any of the Property Tax Refunds. We attach a copy of the memorandum summarizing that review as ***Exhibit “D”***. In summary we concluded that the amounts paid by Black & Decker and Camalor on account of property taxes during the Receivership Period were fair and reasonable and no portion of the Property Tax Refunds should be paid to either of them.

Operating Costs

Prior to completing our activities as Receiver we need to bring closure to any obligation we might have to tenants. The two tenants who occupied space at the Brockville Property prior to its sale did so pursuant, in part, to net leases that required them to pay a contribution towards operating costs. We undertook a review to see whether we should attempt to prepare operating costs statements in order to be able to see if there should be an adjustment to the already paid amount. We attach a copy of the memorandum documenting our review as ***Exhibit “E”***.

In our opinion in the circumstances it is not cost effective, reasonable or realistic to attempt to prepare operating cost statements for either 2012 or the 2013 Stub Period and it is fair and reasonable that the estimated operating cost contributions previously paid by Black & Decker and Camalor to us as Receiver should be deemed to be a full and final reflection of a reasonable contribution by them to operating costs during the Receivership Period and therefore no amounts are owing by them to the Receiver or by the Receiver to them on account of their contribution to operating costs during the Receivership Period.

Release from Tenant Claims

The Receiver managed the Brockville Property from June 21, 2012 until April 30, 2013. In order to complete our administration we need to be sure no tenant has any valid claim against the Receiver in anyway connected with our actions as Receiver. We are therefore asking the court for an order releasing the Receiver from any and all claims tenants and former tenants of the Brockville Property may have against the Receiver related in any way to their occupancy of space at the Brockville Property.

The major tenant at the Brockville Property was Black & Decker. They partially vacated their space by September 30, 2012 and fully vacated the Property by December 31, 2012. As noted earlier we are of the opinion that the amounts they have paid as a contribution to property taxes and operating costs during the Receivership Period are fair and reasonable and we do not think any adjustment is appropriate.

As part of the lead up to the closing of the sale of Brockville Property the one remaining tenant, Camalor, provided an estoppel certificate dated March 14, 2013 (**"the Estoppel Certificate"**). A copy of the Estoppel Certificate is attached to the memoranda documenting our review re property tax refunds and operating costs that are attached as *Exhibits "D" and "E"*. We are also of the opinion that the amounts they have paid as a contribution to property taxes and operating costs during the Receivership Period are fair and reasonable and we do not think any adjustment is appropriate.

The Receiver does not propose incurring the cost of locating and serving the motion record containing this report and the related Notice of Motion on Black & Decker and Camalor for the following reasons.

First, neither Black & Decker nor Camalor filed a Notice of Appearance, or participated in any of the prior court attendances.

Secondly, it is now almost four years since Black & Decker vacated and the Receiver ceased running the Brockville Property.

Thirdly, Camalor signed an Estoppel Certificate dated March 13, 2013 in which they stated that "The Tenant has no existing claim of default, offset, setoff, abatement, reduction, defense or counterclaim to the payment of minimum rent, additional rent or any other charges payable by the Tenant pursuant to the Lease...".

Fourthly, the Receiver is not aware of any potential claim having been made by either Black & Decker or Camalor relating to the Brockville Property and the Receivership Period.

Finally, the Receiver has posted on its website at www.ajohnpage.com: (a) key court orders around the time of issuance; and (b) its reports and other court orders recently. The Receiver will post this report along with the related Notice of Motion on its website promptly after issuance, making it generally available to interested parties.

Creditors and the BIA

In accordance with the requirements of the BIA we have been issuing periodic Interim Reports of Receiver to the Superintendent of Bankruptcy, 205 and any interested creditor.

Fees and Expenses of the Receiver and its Legal Counsel

The fees of the Receiver relating to its activities from March 1, 2015 to November 30, 2016 were as follows:

A. John Page & Associates Inc.

Period	Hours	Fees	HST	Total
March 2015	48.84	\$17,933.40	\$2,331.34	\$20,264.74
April 2015	11.09	3,883.39	504.84	4,388.23
May 2015	6.10	1,976.54	256.95	2,233.49
June 2015 – October 2016	24.74	7,380.24	959.43	8,339.67
November 2016	33.50	12,741.50	1,656.40	14,397.90
Total	124.27	\$43,915.07	\$5,708.96	\$49,624.03

The fees and expenses of the Receiver's legal counsel relating to its activities from March 1, 2015 to November 30, 2016 were as follows:

Gardiner Roberts LLP

Period Covered	Fees	Disbursements	HST	Total
March 2015	\$10,710.00	\$233.50	\$1,422.66	\$12,366.16
April 2015	4,500.00	246.25	617.01	5,363.26
May 2015	2,430.00	52.00	322.66	2,804.66
April – July 2015	525.00	0.00	68.25	593.25
Total	\$18,165.00	\$531.75	\$2,430.58	\$21,127.33

Heath Whiteley

Period Covered	Fees	HST	Total
August to November 2016	\$5,000.00	\$650.00	\$5,650.00
Total	\$5,000.00	\$650.00	\$5,650.00

Legal Counsel

We continue to use the services of Gardiner Roberts (Jonathan Wigley) as our independent counsel. Given the dominant position of the Bank, for reasons of economy we have had the Bank's counsel, Heath Whiteley, assist us where appropriate.

Interim Distribution

We have made no further payments to the Bank since the last report. The total amount distributed to date is \$1,270,000.

We are asking the court for authority to make an interim distribution of a further \$25,000 to or at the direction of the Bank. If the court grants the bankruptcy order that the Bank are concurrently applying for then these funds will be used by the Bank to provide ourselves, as the prospective Licensed Insolvency Trustee, with a deposit to support the Bank's guarantee of the costs of the bankruptcy.

We are holding back the balance of the funds in our possession pending resolution of the outstanding matters detailed in this report.

Banking and the Receiver's Statement of Receipts and Disbursements

At the commencement of this assignment, we opened up receivership bank accounts at Royal Bank of Canada and at ICICI Bank Canada. Shortly after their appointment as our property manager Larlyn Property Management Ltd. opened up a separate account at Royal Bank of Canada ("the Larlyn Royal Account") for use in the management of the Property. The Larlyn Royal Account and the receivership account at Royal Bank of Canada have now been closed. Attached as *Exhibit "F"* is a copy of the Receiver's Interim Statement of Receipts and Disbursements from June 21, 2012 to December 6, 2016 combining the three accounts ("the R&D"). We are asking the Court to approve the R&D.

The fees of the Receiver from March 1, 2015 to November 30, 2016 are included with the Receiver's other disbursements in the R&D and are more fully set out in the invoices attached to the Affidavit of A. John Page that is being filed separately with the Court in support of the application seeking their approval.

The fees and expenses of Gardiner Roberts and Heath Whiteley from March 1, 2015 to November 30, 2016 are also included as disbursements in the R&D. They are more fully set out in the Affidavits that are also being filed with the Court in support of the application seeking their approval.

All of which is respectfully submitted this 6th day of December, 2016

A. JOHN PAGE & ASSOCIATES INC
LICENSED INSOLVENCY TRUSTEE
COURT APPOINTED RECEIVER OF CERTAIN ASSETS OF 2058756 ONTARIO LIMITED
per:



A. John Page FCPA, FCA, CIRP, LIT
President

**Exhibits to the Seventh Report of
A. John Page & Associates Inc.
as Court Appointed Receiver of Certain Assets of 2058756 Ontario Limited
dated December 6, 2016**

Initial Order	A
The Sixth Report (without exhibits)	B
The April 28, 2015 Order	C
Memorandum re Property Tax Refunds and Tenants	D
Memorandum re Contributions to Operating Costs	E
Statement of Receipts and Disbursements	F

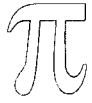


Exhibit "C"

**Eighth Report of A. John Page & Associates Inc.
Court Appointed Receiver of Certain Assets
of 2058756 Ontario Limited
Dated January 15, 2020**

The January 24, 2017 Order

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

)

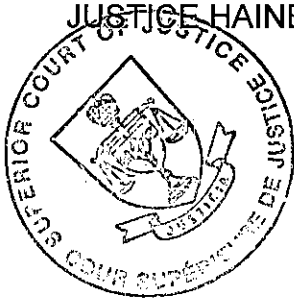
TUESDAY, THE 24th DAY

)

JUSTICE HAINEY

)

OF JANUARY, 2017



ICICI BANK CANADA

Applicant

- and -

2058756 ONTARIO LIMITED

Respondent

ORDER

THIS MOTION, made by A. John Page & Associates Inc., in its capacity as the court-appointed Receiver (the "**Receiver**") of certain of the assets, undertakings and properties of 205876 Ontario Limited (the "**Debtor**"), for an Order: (a) approving the conduct and activities of the Receiver to date (as detailed in the Seventh Report of the Receiver); (b) approving the Receiver's Statement of Receipts and Disbursements; (c) approving the Receiver's conclusion that no portion of the property tax refund ought to be paid over to either of the former tenants of the Debtor; (d) releasing the Receiver, and others, from any and all liability to the former tenants of the Debtor; and (e) approving the fees and expenses of the Receiver and its counsel; and such further and other relief as to this Honourable Court may seem just, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Seventh Report of the Receiver dated December 6, 2016 (the "**Seventh Report**"), and the affidavits of A. John Page sworn December 3, 2016 (the "**Receiver's Fee Affidavit**"), Heath Whiteley sworn December

18, 2016 (the "**Whiteley Fee Affidavit**") and Jonathan Wigley sworn December 7, 2016 (the "**Wigley Fee Affidavit**"), and on hearing the submissions of the lawyer(s) present on the motion, all parties per the service list on the notice of motion having been served as appears from the affidavit of Heath Whiteley sworn January 18, 2017.

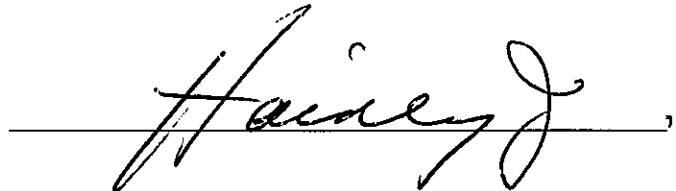
1. **THIS COURT ORDERS** that service of the Notice of Motion and Motion Record herein upon any interested party not served is hereby dispensed with.
2. **THIS COURT ORDERS** that the activities of the Receiver to date as set out in the Seventh Report are hereby approved.
3. **THIS COURT ORDERS** that the receipts and disbursements of the Receiver as set forth in the Statement of Receipts and Disbursements contained in the Seventh Report be and the same are hereby approved.
4. **THIS COURT ORDERS AND DECLARES** that no portion of the portion of the Property Tax Refund (as defined in the Seventh Report) shall be paid over to either of the former tenants of the Debtor.
5. **THIS COURT ORDERS AND DECLARES** that A. John Page & Associates Inc. is hereby released and discharged from any and all liability that A. John Page & Associates Inc. now has or may hereafter have to any and all former tenants of the Debtor by reason of, or in any way arising out of, the acts or omissions of A. John Page & Associates Inc. while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, A. John Page & Associates Inc. is hereby forever released and discharged from relating to matters that were raised, or which could have been raised, in the within receivership proceedings by any and all tenants and former tenants of the Debtor, save and except for any gross negligence or wilful misconduct on the Receiver's part.
6. **THIS COURT ORDERS** that the Receiver is hereby authorized to pay to, or at the direction of, the Applicant, as first ranking secured creditor, the sum of \$25,000 from the funds held by the Receiver as an interim distribution and, subject to payment of fees

and disbursements of the Receiver and its counsel from time to time in accordance with the Order of Justice Brown dated June 21, 2012, and any subsequent orders of the Court, to hold the balance of the funds pending further order of this Court.

7. **THIS COURT ORDERS** that the fees of the Receiver for the period from March 1, 2015 and ending November 30, 2016 in the amount of \$43,915.07 plus applicable GST/HST as set forth in the Receiver's Fee Affidavit are hereby approved and allowed.

8. **THIS COURT ORDERS** that the fees of the Receiver's counsel for the period from August 1, 2016 and ending November 30, 2016 in the amount of \$5,000.00 plus applicable GST/HST as set forth in the Whiteley Fee Affidavit are hereby approved and allowed.

9. **THIS COURT ORDERS** that the fees of the Receiver's independent counsel for the period from March 1, 2015 and ending July 31, 2016 in the amount of \$18,165.00 plus disbursements of \$531.75 and applicable GST/HST as set forth in the Wigley Fee Affidavit are hereby approved and allowed.

A handwritten signature in cursive script, appearing to read "Hainey J.", is written over a horizontal line.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JAN 24 2017

PER / PAR:

A small, stylized handwritten signature or mark is written next to the text "PER / PAR:".

BETWEEN:

ICICI BANK CANADA
Applicant

- AND -

2058756 ONTARIO LIMITED
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

(PROCEEDING COMMENCED AT TORONTO)

ORDER
(re Seventh Report)

Heath P.L. Whiteley
(L.S.U.C. No. 38528P)

Tel: (905) 773-7700
Fax: (905) 773-7666
Email: heath@whiteleylitigation.com

310 Stouffville Road
Richmond Hill, Ontario
L4E 3P4

Lawyer for the Receiver



Exhibit "D"

**Eighth Report of A. John Page & Associates Inc.
Court Appointed Receiver of Certain Assets
of 2058756 Ontario Limited
Dated January 15, 2020**

Enhanced Requirement to Pay dated July 19, 2019



A. John Page & Associates Inc.
195 Glencairn Ave
Toronto ON M4R 1N3

Notice details

Date issued **JUL 19 2019**

Contact name T. Smith

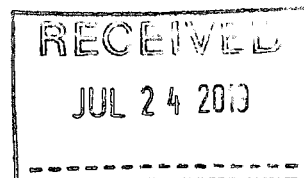
Telephone number (416) 973-3720 Ext

Account number 862122777RT0001

Enhanced requirement to pay

The following taxpayer(s) owe(s) **\$74,639.61** for the account 862122777RT0001.

2058756 ONTARIO LIMITED (sometime carrying
on business as Brockville)
195 GLENCAIRN AVE
TORONTO ON M4R 1N3



This requirement to pay from the Minister of National Revenue requires you to send us any money you would otherwise pay to the taxpayer; but do not send more than \$74,639.61. For requirements to pay, money includes amounts from any assets of the taxpayer that can be converted into cash.

You are required to pay under subsection 317(3) of the Excise Tax Act or subsection 75(3) of the Air Travellers Security Charge Act.

Money you owe or are paying to the taxpayer

You may owe money to the taxpayer now or you may have to pay the taxpayer later. Either way, you must send this money instead of paying the taxpayer.

1. If you owe money to the taxpayer now, you must send us this amount right away.
2. If you owe money to the taxpayer within the next year, you must send this amount to us as soon as this money becomes due.

Please make your payment payable to the Receiver General.

Your legal obligation

You are required to send this money to us even if you were planning to or have been directed to send money that would otherwise be payable to the taxpayer, to a creditor of the taxpayer, the taxpayer's representative, or to any other person. You must send us the money before paying secured and unsecured creditors, the taxpayer's representative, and any other person who has a legal right to this money.

No other provision of the Excise Tax Act, the Air Travellers Security Charge Act, other acts of Canada (other than the Bankruptcy and Insolvency Act), any provincial and/or territorial legislation, or any other law will change the requirement for you to send the money to us.

Your liability

If you do not pay the money that is required according to the terms of this requirement, you will become liable for the payment of this money.

A. John Page & Associates Inc.
195 Glencairn Ave
Toronto ON M4R 1N3

Notice details

Date issued JUL 19 2019

Keep records

Keep a copy of this requirement to pay for at least **one year**. Also keep a detailed record of all payments you send to us for at least six years from the date you received this requirement.

Definitions

Secured creditor - This is a person who has a security interest in the property of another person. It can also be a person who acts for that person regarding the security interest. A secured creditor can include a trustee appointed under a trust deed related to a security interest, as well as a receiver or receiver-manager appointed by a secured creditor or by a court on the application of a secured creditor, sequestrator, or any other person performing a similar function.

Security interest - This is any interest in property that secures payment or performance of an obligation. A security interest can include an interest created by or resulting from a debenture, a mortgage, a hypothec, a lien, a pledge, a charge, a deemed or an actual trust, an assignment, or an encumbrance of any kind, whatever, however, or whenever it happens, is created, is deemed to happen, or is otherwise provided for.

For more information regarding requirements to pay, go to canada.ca/cra-requirement-to-pay.



Team Leader, Revenue Collections

(THIRD PARTY)



Response - requirement to pay

If no money is due or payable to the taxpayer

Please provide us with the details by returning this form to the address shown below or by calling the contact on the requirement to pay.

Account number 862122777RT0001	Return address Toronto-Centre Tax Services 1 Front Street West - Ste 100 2nd Fl Toronto ON M5J 2X6 ATTN: T. Smith
Third party A. John Page & Associates Inc.	

Reason no money is due or payable:

Name (print)	Telephone number	
	Date	Position

Note

Returning this form does not relieve you of your obligation to comply with the requirement to pay.

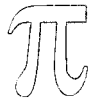
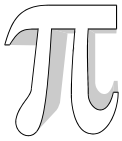


Exhibit "E"

**Eighth Report of A. John Page & Associates Inc.
Court Appointed Receiver of Certain Assets
of 2058756 Ontario Limited
Dated January 15, 2020**

Letter to CRA dated July 24, 2019



A.
John
Page
& Associates Inc.

LICENSED INSOLVENCY TRUSTEE
195 GLENCAIRN AVENUE
TORONTO, ONTARIO M4R 1N3
TELEPHONE: (416) 364-4894
www.ajohnpage.com

July 24, 2019

Canada Revenue Agency
Toronto-Centre Tax Services
1 Front Street West - Ste 100
2nd Fl
Toronto, ON M5J 2X6

Attention: T. Smith

Dear Sirs

**2058756 Ontario Limited ("205") sometimes carrying on business as Brockville
Account No. 86212 2777 RT0001
Date of Receivership: June 21, 2012**

We today received by Registered Mail an Enhanced requirement to pay notice dated July 19, 2019 ("the ERTP") pertaining to the amount of \$74,639.61 owed by 205.

The ERTP requires A. John Page & Associates Inc. to send to you any money we would otherwise pay to the tax payer up to \$74,639.61.

The amount of \$74,639.61 is the amount of your outstanding deemed trust claim against 205 for unremitted HST.

As you are aware, A. John Page & Associates Inc. was appointed Receiver of certain of the assets of 205 by order of the Honourable Mr. Justice Brown of the Ontario Superior Court (Commercial List) dated June 21, 2012 ("the Initial Order") upon the application of a major secured creditor of 205, ICICI Bank Canada.

We are enclosing a copy of the Initial Order.

We should in particular like to draw your attention to Section 8 - No Proceedings Against the Receiver, Section 9 - No Proceedings Against the Debtor or the Property and Section 10 - No Exercise of Rights or Remedies. Your issuance of the ERTP without the written consent of the Receiver or the leave of the Court contravenes the Initial Order and, as such, is not valid.



Canada Revenue Agency
July 24, 2019

Page 2

Could you please immediately withdraw the E RTP and confirm to us in writing that you have done so.

Yours very truly

A. JOHN PAGE & ASSOCIATES INC.
COURT APPOINTED RECEIVER OF CERTAIN OF THE ASSETS OF 205
per:

A. John Page
President

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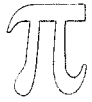


Exhibit "F"

**Eighth Report of A. John Page & Associates Inc.
Court Appointed Receiver of Certain Assets
of 2058756 Ontario Limited
Dated January 15, 2020**

**Letter from Department of Justice dated August 22,
2019**



Department of Justice
Canada

Ministère de la Justice
Canada

Ontario Regional Office
120 Adelaide Street West
Suite #400
Toronto, Ontario
M5H 1T1

Bureau régional de l'Ontario
120, rue Adelaide ouest, Pièce 400
Toronto (Ontario)
M5H 1T1

Tel: 647-256-7381
Fax: 416-973-0810
Email: Edward.Harrison@justice.gc.ca

Our File: 10790919
Notre dossier:

August 22, 2019

VIA COURIER

A. John Page & Associates Inc.
195 Glencairn Avenue
Toronto, Ontario
M4R 1N3

Attention: A. John Page

Dear Sir:

Re: 2058756 Ontario Limited

I am writing further to the Canada Revenue Agency ("CRA")'s letters of June 23, 2014 and January 4, 2019, regarding the failures of 2058756 Ontario Ltd. (the "Debtor") to remit net tax to the CRA in accordance with the *Excise Tax Act* ("ETA") in the amount of \$74,639.61 (the "Deemed Trust Amount").

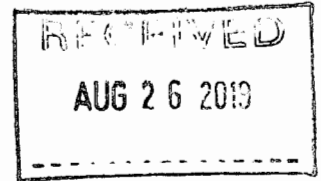
As you are aware, CRA's claim is made pursuant to the deemed trust mechanism governed by section 222 of the *ETA*. Essentially, when a person collects GST/HST but fails to remit the associated net tax to the Crown in accordance with the *ETA*, as is the case here, all of this person's assets are deemed to be held in trust for the benefit of the Crown, notwithstanding any security interest or any other legislation in Canada. Furthermore, any proceeds from these assets must be paid to the Receiver General of Canada, in priority to any other secured creditors.

It is our understanding that you were appointed Receiver of certain assets of the Debtor pursuant to the order of the Honourable Justice Brown of the Ontario Superior Court (Commercial List) dated June 21, 2012.

It is also our understanding that in April, 2013 you sold the Debtor's real property located at 100 Central Avenue West, Brockville, Ontario (the "Property") and received proceeds from the sale of the Property in an amount of at least \$2,000,000. It is also our understanding that you continue to hold proceeds from the sale in an amount exceeding the Deemed Trust Amount.

To date, despite the statutory obligation to remit proceeds of sale of deemed trust assets to the Crown under s. 222(3) *ETA*, your statutory obligations as Receiver under s. 266(d) *ETA*, and numerous requests for payment by the CRA, you have not paid the Deemed Trust Amount.

Faced with persistent non-payment, CRA issued an Enhanced Requirement to Pay ("ERTP") to you on July 19, 2019. Further to your letter dated July 24, 2019, we understand that your position is that CRA's ERTP is not valid and should be withdrawn.



Canada

We wish to advise that if the \$74,639.61 deemed trust amount is not paid by September 20, 2019, we will take steps to bring all issues in this matter before the Court.

Yours truly,

DEPARTMENT OF JUSTICE, CANADA

Per:

Edward Harrison

(Electronically-Generated Signature)

Edward Harrison
Counsel
Tax Law Services



Exhibit "G"

**Eighth Report of A. John Page & Associates Inc.
Court Appointed Receiver of Certain Assets
of 2058756 Ontario Limited
Dated January 15, 2020**

The R&D to Date

2058756 Ontario Limited - R&D To Date

2012-06-21 through 2020-01-15

2020-01-15

Page 1

Category	2012-06-21- 2020-01-15
INCOME	
Nortel Networks Claim	63,762.14
Other Income	197.52
Property Tax Refund	623,709.90
Receivables	295,475.47
Rent	1,085,067.59
Sale of Real Estate	2,000,000.00
Utility Recharge	167,314.12
TOTAL INCOME	4,235,526.74
EXPENSES	
Advance to Samak	5,000.00
Cleaning	1,801.29
Consultant Fees	24,569.29
HST Control	31,690.29
HST Input	2,301.58
Insurance	63,867.36
Landscaping	8,070.00
Larlyn Property Management	
Cleaning	3,266.15
Management Fee	16,101.60
Other	6,197.03
Repairs	3,707.84
TOTAL Larlyn Property Management	29,272.62
Legal Fees	177,838.53
Miscellaneous	6,234.45
OSB Fees	70.00
Payment to Secured Creditor	1,270,000.00
Pre-Appointment Fees	125,000.00
Pre-Receiver'ship Suppliers	14,965.41
Property Taxes	1,156,393.06
Real Estate Commission	75,000.00
Receiver's Fees	503,867.74
Repairs and Maintenance	8,624.58
Samak Management Fees	22,704.16
Samak Payroll	29,750.00
Snow Ploughing	24,499.98
Utilities	
Gas	111,107.35
Hydro	314,186.14
Water	47,595.51
TOTAL Utilities	472,889.00
TOTAL EXPENSES	4,054,409.34
OVERALL TOTAL	181,117.40



Exhibit "H"

**Eighth Report of A. John Page & Associates Inc.
Court Appointed Receiver of Certain Assets
of 2058756 Ontario Limited
Dated January 15, 2020**

The Pro Forma Final R&D

2058756 Ontario Limited - Pro Forma Final R&D

2012-06-21 through 2020-01-15

2020-01-15

Page 1

Category	2012-06-21- 2020-01-15
INCOME	
Nortel Networks Claim	63,762.14
Other Income	197.52
Property Tax Refund	623,709.90
Receivables	295,475.47
Rent	1,085,067.59
Sale of Real Estate	2,000,000.00
Utility Recharge	167,314.12
TOTAL INCOME	4,235,526.74
EXPENSES	
Advance to Samak	5,000.00
Cleaning	1,801.29
Consultant Fees	24,569.29
HST Arrears	35,000.00
HST Control	31,690.29
HST Input	5,177.57
Insurance	63,867.36
Landscaping	8,070.00
Larlyn Property Management	
Cleaning	3,266.15
Management Fee	16,101.60
Other	6,197.03
Repairs	3,707.84
TOTAL Larlyn Property Management	29,272.62
Legal Fees	182,838.53
Miscellaneous	6,234.45
OSB Fees	70.00
Payment to Secured Creditor	1,391,118.41
Pre-Appointment Fees	125,000.00
Pre-Receiver'ship Suppliers	14,965.41
Property Taxes	1,156,393.06
Real Estate Commission	75,000.00
Receiver's Fees	520,990.74
Repairs and Maintenance	8,624.58
Samak Management Fees	22,704.16
Samak Payroll	29,750.00
Snow Ploughing	24,499.98
Utilities	
Gas	111,107.35
Hydro	314,186.14
Water	47,595.51
TOTAL Utilities	472,889.00
TOTAL EXPENSES	4,235,526.74
OVERALL TOTAL	0.00