

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**TORONTO COSMETIC CLINIC INC.**

Respondent

**SUPPLEMENTARY MOTION RECORD OF THE RECEIVER,  
MSI SPERGEL INC.**  
(Returnable May 2, 2024)

April 26, 2024

**FOGLER, RUBINOFF LLP**

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inc.

**SERVICE LIST**

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AND TO:	<p><b>TORONTO COSMETIC CLINIC INC.</b> 5400 Yonge Street North York, ON M2N 2N1</p> <p>Respondent</p>	<p><b>BY REGULAR MAIL</b></p>
AND TO:	<p><b>MANIS LAW</b> 2300 Yonge Street,, Suite 1600 Toronto, ON M4P 1E4</p> <p><b>Howard F. Manis</b> <a href="mailto:hmanis@manislaw.ca">hmanis@manislaw.ca</a></p> <p>Lawyers for the Guarantors</p>	<p><b>BY EMAIL TO:</b> <a href="mailto:hmanis@manislaw.ca">hmanis@manislaw.ca</a></p>
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AND TO:	<p><b>BEHNAZ YAZDANFAR</b> 185 Roehampton Ave., Suite 2209 Toronto, ON M4P 0C6</p> <p>Tel: 647-221-5554 Email: <a href="mailto:yazdanfarb5@gmail.com">yazdanfarb5@gmail.com</a></p>	<p><b>BY EMAIL TO:</b> <a href="mailto:yazdanfarb5@gmail.com">yazdanfarb5@gmail.com</a></p>
AND TO:	<p><b>CANADA REVENUE AGENCY</b> c/o Department of Justice Ontario Regional Office 120 Adelaide St. W., Suite 400 Toronto, ON M5H 1T1</p> <p>Email: <a href="mailto:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca">AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca</a></p>	<p><b>BY EMAIL TO:</b> <a href="mailto:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca">AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca</a></p>
AND TO:	<p><b>HIS MAJESTY THE KING IN RIGHT OF ONTARIO, AS REPRESENTED BY THE MINISTRY OF FINANCE</b> Revenue Collections Branch – Insolvency Unit 33 King Street W., P.O. Box 627 Oshawa, ON L1H 8H5 Email: <a href="mailto:insolvency.unit@ontario.ca">insolvency.unit@ontario.ca</a></p>	<p><b>BY EMAIL TO:</b> <a href="mailto:insolvency.unit@ontario.ca">insolvency.unit@ontario.ca</a></p>
AND TO:	<p><b>EQUIREX, A DIVISION OF BENNINGTON FINANCIAL CORP.</b> 101-1465 North Service Road East Oakville, ON L6H 1A7</p> <p><b>Attention: Michelle Carleton</b> Tel: 905-618-1375 Email: <a href="mailto:michellec@benningtonfinancial.ca">michellec@benningtonfinancial.ca</a></p>	<p><b>BY EMAIL TO:</b> <a href="mailto:michellec@benningtonfinancial.ca">michellec@benningtonfinancial.ca</a></p>

AND TO:	<b>RCAP LEASING INC.</b> 5575 North Service Road, Suite 300 Burlington, ON L7L 6M1	<b>BY REGULAR MAIL</b>
AND TO:	<b>SOMERVILLE NATIONAL LEASING &amp; RENTALS LTD.</b> 75 Arrow Road Toronto, ON M9M 2L4	<b>BY REGULAR MAIL</b>
AND TO:	<b>SPRUCEWOOD LEASING LIMITED</b> 236 Wellington St. E. Unit 101 Aurora, ON L4G 1J5	<b>BY REGULAR MAIL</b>
AND TO:	<b>VAULT CAPITAL CORPORATION</b> 41 Scarsdale Road, Suite 5 Toronto, ON M3B 2R2	<b>BY REGULAR MAIL</b>

**ONTARIO  
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B E T W E E N:

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**TAB 1**

Court File No. CV-23-0075871-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**THE TORONTO-DOMINION BANK**

Applicant

- and -

**TORONTO COSMETIC CLINIC INC.**

Respondent

**SUPPLEMENT REPORT OF MSI SPERGEL INC.  
IN ITS CAPACITY AS THE RECEIVER OF  
TORONTO COSMETIC CLINIC INC.**

**April 26, 2024**

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**APPENDICES**

- A. HST Claim of CRA

## I. CANADA REVENUE AGENCY

1. Unless otherwise stated, all capitalized terms are as defined in the First Report of the Receiver dated April 23, 2024 (the “**First Report**”). The disclaimers set out in the First Report also apply herein.
2. The purpose of this supplement report (the “**Supplement Report**”) is to provide the Court with an update with respect to the amounts outstanding to Canada Revenue Agency (“**CRA**”).
3. In the First Report, the Receiver reported to the Court that there may be a potential deemed trust claim from CRA with respect to amounts outstanding to CRA for source deductions and/or HST. On April 25, 2024, the Receiver received a claim from CRA for \$131,735.97 with respect to outstanding HST. \$108,548.80 of the \$131,735.97 is subject to the deemed trust claim of CRA.
4. On the same day, the Receiver spoke to an agent of CRA and advised of the upcoming discharge hearing, provided the URL of the case website to the agent of CRA so he can obtain a copy of the Receiver’s Motion Record and advised that the Receiver did not realize on any assets of TCCI. The Receiver further advised CRA that, to the Receiver’s knowledge, TCCI intends to continue operating and deal with its debts in the normal course of business. A copy of the claim filed by CRA is attached as **Appendix “A”** to this Supplement Report.
5. This Supplement Report is filed in support of the Receiver’s motion for the relief set out in paragraph 7 of the First Report and for the approval of the Supplement Report and the Receiver’s activities set out herein.

All of which is respectfully submitted.

Dated at Toronto this 26<sup>th</sup> day of April, 2024.

**msi Spergel Inc.**

solely in its capacity as the Court-appointed  
Receiver of TCCI and not in its personal  
or corporate capacities.

Per:



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Mukul Manchanda, CPA, CIRP, LIT

# Appendix "A"



Canada Revenue Agency  
Agence du revenu  
du Canada

Tax Centre  
Scarborough ON M1P 4Y3

April 25, 2024

ATTENTION: PAULA AMARAL  
MSI SPERGEL INC.  
200 YORKLAND BLVD.  
SUITE 1100  
TORONTO ON M2J 5C1

Dear Trustee:

Subject: TORONTO COSMETIC CLINIC INC.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of \$131,735.97.

Period Ending	GST/HST payable	Penalty & interest	Total
2023-11-01	\$ 1,868.06	\$ 98.74	\$ 1,966.80
2023-10-31	\$ 1,868.06	\$ 99.23	\$ 1,967.29
2023-07-31	\$ 5,264.38	\$ 405.42	\$ 5,669.80
2023-01-31	\$ 3,210.95	\$ 395.77	\$ 3,606.72
2022-10-31	\$ 4,486.37	\$ 687.14	\$ 5,173.51
2022-07-31	\$ 3,125.92	\$ 566.20	\$ 3,692.12
2022-04-30	\$ 11,480.37	\$ 2,107.09	\$13,587.46
2022-01-31	\$ 10,249.38	\$ 2,125.99	\$12,375.37
2021-10-31	\$ 12,272.96	\$ 2,839.86	\$15,112.82
2021-07-31	\$ 43,081.42	\$ 9,236.20	\$52,317.62
2021-04-30	\$ 8,405.76	\$ 2,336.86	\$10,742.62
2021-01-31	\$ 3,235.17	\$ 2,288.67	\$ 5,523.84

Under the Excise Tax Act, \$108,548.80 of the above totals represents property of the Crown held in trust and does not form part of TORONTO COSMETIC CLINIC INC's property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada \$108,548.80 out of realization of any property subject to the trust created by

.../2

**Canada**

National Insolvency Office  
200 Town Centre Court  
Scarborough ON M1P 4Y3

Local: 647-327-8306  
Toll Free: 1-833-540-3352  
Fax: 418-562-8607  
Web site: canada.ca/taxes

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subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell us when you will pay the remaining balance of \$23,187.17.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at (647) 327-8306.

Yours truly,



Richard Moon-Wan (1220)  
Resource/Complex Case Officer

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-and- **TORONTO COSMETIC CLINIC INC.**  
Respondent

Court File No. CV-23-00705871-00CL

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PROCEEDING COMMENCED AT TORONTO

**SUPPLEMENTARY MOTION RECORD OF  
THE RECEIVER, MSI SPERGEL INC.**  
(Returnable May 2, 2024)

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