

ONTARIO

SUPERIOR COURT OF JUSTICE

B E T W E E N :

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

2203284 ONTARIO INC.

Respondent

MOTION RECORD
(returnable July 21, 2017)

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ONTARIO

SUPERIOR COURT OF JUSTICE

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TAB 1

Court File No. CV-17-11827-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

B E T W E E N :

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

2203284 ONTARIO INC.

Respondent

**NOTICE OF MOTION
(returnable July 21, 2017)**

THE RECEIVER will make a motion to the court on Friday, July 21, 2017, at 10:00 a.m., or as soon after that time as the motion can be heard, at the Superior Court of Justice located at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: Orally.

THE MOTION IS FOR:

1. An order if necessary, validating, abridging the time for or dispensing with service of this notice and materials which accompany it.
2. An order for directions requiring the landlord of certain property to give the Receiver access respondent's office (which appears is part of premises leased by someone else).
3. An order requiring certain individuals to provide the Receiver with information as well as with access to records.
4. Costs of this motion on a substantial-indemnity basis.

5. Such further and other relief as counsel may advise and this Honourable Court permit.

THE GROUNDS FOR THE MOTION ARE:

1. On June 22, 2017, the court granted a receivership order (“Receivership Order”) in respect of the respondent, of 2203284 Ontario Inc. (“220 Ontario” or the “respondent”).
2. msi Spergel Inc. (the “Receiver” or “Spergel”) was appointed Receiver as receiver over the 220 Ontario’s property with the power and authority to do, among other things, the following:
 - (a) to take possession of and exercise control over the Property;
 - (b) to receive, preserve, and protect the Property and, in this respect, to change locks and security codes as well as to relocate, take inventory, and safeguard the Property.
3. The Receivership Order also requires all persons having knowledge of it to do the following:
 - (a) forthwith to advise the Receiver of the existence of any of the Property in such person’s possession or control;
 - (b) to grant immediate access to Property;
 - (c) to deliver all Property at the Receiver’s request;
 - (d) forthwith to advise the Receiver of the existence of, among other things, books, documents, records, and information (“Records”) related to 220 Ontario’s business in the possession or control of any such person;
 - (e) to provide Records to the Receiver or to provide the Receiver with access to them and, in particular, for the purpose of making copies.
4. The following have not provided access to or information in accordance with the Receivership Order: Luigi Santaguida, the sole officer and director of the 220 Ontario; Lawrence Zimmerman, a lawyer who has acted for 220 Ontario and Mr. Santaguida; and George Ruggiero, who holds certain deposits relating to the condominium project which 220 Ontario was to build.

5. In addition, the Reciever has not been able to access 220 Ontario's office space, which appear leased to another entity.

6. Such further and other grounds as counsel may advise and this Honourable Court permit.

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

1. The Affidavit of Deborah Hornbostel sworn July 17, 2017, and the exhibits attached thereto; and,

2. Such further and other documents as counsel may advise and this Honourable Court permit.

July 17, 2017

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DICK LONGLAND
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Fax: 416-223-6577

Second Mortgagee

AND TO: 1220356 ONTARIO LIMITED and TARAGAR HOLDINGS LIMITED
c/o AVENUE CAPITAL MORTGAGE ADMINISTRATION INC.
480 Lawrence Street West, 4th Floor
Toronto, Ontario M5M 1C4

Tel.: 416-225-0555
Fax: 647-438-2006

AND TO: DESJARDINS FINANCIAL SECURITY
c/o AVISON YOUNG PROPERTY MANAGEMENT SERVICES ONTARIO
INC.
6200 Dixie Road, Suite 204
Mississauga, Ontario L5T 2E1

ELIZABETH McKINLAY

AND TO: HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO
AS REPRESENTED BY THE MINISTRY OF FINANCE
33 King Street West, 6th Floor
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TAB 2

Court File No. CV-17-11827-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

B E T W E E N :

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

- and -

2203284 ONTARIO INC.

Respondent

AFFIDAVIT OF DEBORAH HORNBOSTEL

I, DEBORAH HORNBOSTEL, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Senior Principal at msi Spergel Inc. (the “Receiver” or “Spergel”), receiver of the respondent 2203284 Ontario Inc. (“220 Ontario”), and, as such, have personal knowledge of the matters set out in this affidavit. To the extent that anything below is not within my personal knowledge, it constitutes information derived from the sources indicated. I believe all such information to be true.
2. I swear this affidavit in support of a motion for an order for directions and, in particular, for an order requiring the landlord to give the Receiver access to 220 Ontario’s office (which appears is part of premises leased by someone else), and ordering certain individuals to provide the Receiver with information as well as with access to records.
3. On June 22, 2017, the court issued a receivership order in respect of 220 Ontario (“Receivership Order”). A true copy of it is attached to this my affidavit and marked Exhibit “A”.

The failure of Mr Santaguida and of Mr Zimmerman, a lawyer, to comply

4. The Receivership Order appoints Spergel as receiver “of all of the assets, undertakings and properties of [220 Ontario] including property municipally known as 98 James Street South, Hamilton” (collectively referred to below as “Property”).
5. Among other things, the order empowers and authorizes the Receiver as follows:
 - (a) to take possession of and exercise control over the Property;
 - (b) to receive, preserve, and protect the Property and, in this respect, to change locks and security codes as well as to relocate, take inventory, and safeguard the Property.
6. The order also requires all persons having knowledge of it to do the following:
 - (a) forthwith to advise the Receiver of the existence of any of the Property in such person’s possession or control;
 - (b) to grant immediate access to Property;
 - (c) to deliver all Property at the Receiver’s request;
 - (d) forthwith to advise the Receiver of the existence of, among other things, books, documents, records, and information (“Records”) related to 220 Ontario’s business in the possession or control of any such person;
 - (e) to provide Records to the Receiver or to provide the Receiver with access to them and, in particular, for the purpose of making copies.
7. Luigi Santaguida (who appears also to be known as Louie Santaguida), the sole officer and director of 220 Ontario, was served with the record for the present application. A true copy of the affidavit of service which shows service on him as well as others is attached to this my affidavit and marked Exhibit “B”. A true copy of the corporate profile report which shows that Mr Santaguida’s status as sole officer and director is attached to this my affidavit and marked Exhibit “C”.
8. Mr Santaguida was served by email at an email address we understand from the applicant’s lawyers is used by him.

9. Mr Santaguida was sent a copy of the Receivership Order by way of email. A true copy of the relevant email, without attachment, is attached to this my affidavit and marked Exhibit “D”. A true copy of the confirmation that he opened the email message is attached to this my affidavit and marked Exhibit “E”.

10. We do not have Mr Santaguida’s current address; the applicant’s lawyer has advised us that when attempts were made to serve him at his last known address, they were told that he had moved.

11. Lawrence Zimmerman, whom we understand is the lawyer for both Mr Santaguida and 220 Ontario, was served with the record; this is also set out in Exhibit “B”.

12. Mr Zimmerman was also sent a copy of the Receivership Order as set out in Exhibit “D”. A true copy of the confirmation that he opened the email message is attached to this my affidavit and marked Exhibit “F”.

13. George Ruggiero, whose firm holds deposits in respect of a condominium project which 220 Ontario was to build, was served with the application record and sent a copy of the Receivership Order. Evidence of service of the record is set out in Exhibit “B” and of being sent the order on June 22 is set out in Exhibit “D”, which shows him as an addressee.

14. I am informed by Daniel Battiston, one of my colleagues who has also been involved in the present receivership, as follows:

(a) on June 22, he went to 220 Ontario’s registered office at 93 Skyway Avenue, Suite 210, Etobicoke (the “Premises”), out of which it appears more than one business operates;

(b) the front office doors were locked and it appeared that no staff were present.

(c) he put a copy of the Receivership Order through the front-door mail slot;

(d) he sent a copy of the Receivership Order via email to Mr

Santaguida ('louie@stantonrenaissance.com') and to Mr Zimmerman ('larry@zimlaw.ca'); and

(e) in his email, Mr Battiston advised Mr. Santaguida of his obligations under the Receivership Order and requested that he make contact to arrange an exchange of the books and records.

A true copy of Mr Battiston's email is attached to this my affidavit and marked Exhibit "G".

15. Neither Mr Santaguida nor Mr Zimmerman, a lawyer, contacted us nor, as far as we are aware, took any steps to comply with the Receivership Order.

16. On June 27, we sent a follow-up email message to Messrs Santaguida and Mr Zimmerman. A true copy of it is attached to this my affidavit and marked Exhibit "H".

17. Neither Mr Santaguida nor Mr Zimmerman responded.

18. On June 28, Mr Battiston attended again at the Premises.

19. I am informed by him that the office doors were locked and no one appeared to be present.

20. Once again, Mr Battiston put a copy of the Receivership Order through the mail slot in the front door.

21. On June 29 and June 30, Mr Battiston returned again to the Premises.

22. I am informed by Mr Battiston that on both occasions, the office appeared empty, he left another copy of the Receivership Order, and that he could see that the previous copies of the order had been removed.

23. On June 29, Mr Battiston also called Mr Zimmerman at his law office but was unable to reach him.

24. Mr Battiston left a message for Mr Zimmerman.

25. Mr Zimmerman has not returned it.

26. On July 5, we sent both Mr Santaguida and Mr Zimmerman a letter. A true copy of it, without its enclosure, is attached to this my affidavit and marked Exhibit "I".
27. The letter, with which an additional copy of the Receivership Order was enclosed, requests access to 220 Ontario's records.
28. Neither Mr Santaguida nor Mr Zimmerman has responded.
29. The letter included another copy of the Receivership Order.
30. On July 11, Mr Battiston called 220 Ontario's office.
31. A person with a male voice picked up the phone.
32. The person would not identify himself nor would he provide contact information for Mr Santaguida.
33. Mr Battiston went again to the premises.
34. No one appeared to be there.
35. He spoke to individuals in a neighbouring suite.
36. They told him that someone went into the office earlier in the day.
37. He left his business cards with the individuals to whom he had spoken and asked them to call him if they saw anyone go into the office.
38. On July 12, they called him to tell him that someone was at the office.
39. He went to 220 Ontario's office.
40. Again, it appeared that no one was there.
41. He spoke to the individuals in the neighbouring suite.
42. They told me that an individual had entered the premises before my arrival and that

the car he had arrived in was still on site.

43. He called 220 Ontario's number.

44. The same person to whom he had previously spoken picked up.

45. That person refused to identify himself.

46. He claimed, among other things, that he was not at 220 Ontario's office; its number was, he indicated, forwarded to his mobile phone.

47. In addition, Mr. Battiston has, since the issuance of the Receivership Order, called 220 Ontario's telephone number and left voicemail messages, none of which have been returned.

Access to 220 Ontario's office

48. As set out above, it appears that several businesses at one time operated out of the office premises which are the registered office of 220 Ontario.

49. I have made inquiries of the property manager and determined that the landlord is as follows:

Desjardins Financial Security
c/o Avison Young Property Management Services Ontario Inc.
6200 Dixie Road, Suite 204
Mississauga, ON L5T 2E1

50. I have been informed that although it operates out of the premises, 220 Ontario is not a party to the lease agreement for the Premises.

The failure of Schneider Ruggiero to provide access to documents

51. The law firm of Schneider Ruggiero retains deposits made by purchasers of condominium units in the project at 98 James Street South, Hamilton, which 220 Ontario was to build.

52. Our lawyers approached the firm about getting access to the records relating to those deposits.

53. I am informed by Lawrence Hansen, one of our lawyers, that he left a voicemail message for George Ruggiero, Schneider Ruggiero's managing partner.

54. On June 28, Mr Hansen spoke to Mr Ruggiero, following up with an email message in which he requested information about the deposits and about making arrangements to get records in respect of 220 Ontario's condominium project. A true copy of Mr Hansen's email message is attached to this my affidavit and marked Exhibit "J".

55. On June 28, I also emailed Mr. Ruggiero, stating the following:

Further to the exchange of emails this morning regarding the agreements of purchase and sale, the Receiver undertakes to either cover the cost of the printer or to pick them and return them promptly to you after we have photocopied them. I await your decision and thank you in advance for your prompt cooperation.

A true copy of my email message is attached to this my affidavit and marked Exhibit "K".

56. Mr Ruggiero returned Mr Hansen's email message. A true copy of the response is attached to this my affidavit and marked Exhibit "L".

57. In his message, Mr Ruggiero confirms that his firm has over \$6,000,000 in deposits and indicates that he will get back to us with respect to access to records.

58. On July 5, Mr Ruggiero wrote further, indicating that his firm is not prepared to release documents to the Receiver until outstanding accounts are paid. A true copy of his correspondence is attached to this my affidavit and marked Exhibit "M".

59. Mr Hansen responded, indicating that the Receiver would make arrangements to attend at Mr Ruggiero's office to obtain documentation. A true copy of the relevant email message is attached to this my affidavit and marked Exhibit "N"

60. In addition, I called Mr Ruggiero on July 6 to make arrangements to attend at his office.

61. During my conversation, he indicated that he did not know about any Court Order that would compel him to provide the Receiver with the requested information, although he appears to

have been sent a copy of the Receivership Order on the date on which it was made, pursuant to the email contained in Exhibit "D" of this affidavit.

62. Following my conversation with Mr. Ruggiero on July 6, I sent him another copy of the Receivership Order. A true copy of the relevant email, without the attachment, is attached to his my affidavit and marked Exhibit "O."

63. On July 11, I left Mr. Ruggiero a voice-mail message with respect to the requested records.

64. I have heard nothing further from Mr. Ruggiero.

Sworn before me, at the City of Toronto, in the Province of Ontario, on this 17 day of July, 2017.


A Commissioner etc.


DEBORAH HORNBOSTEL

TAB A

Court File No. CV-17-11827-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

THURSDAY, THE 22ND

JUSTICE

Conway

DAY OF JUNE, 2017

**DUCA FINANCIAL SERVICES CREDIT UNION LTD.**

Applicant

- and -

2203284 ONTARIO INC.

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 msi Spergel Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2203284 Ontario Inc. (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Sergiu Cosmin sworn June 9, 2017 and the Exhibits thereto and on hearing the submissions of counsel for Duca Financial Services Credit Union Ltd., no one appearing for the Debtor although duly served as appears from the affidavit of service of Sherine Burke affirmed June 12, 2017 and the affidavit of service of Samantha Harris sworn June 13, 2017 and on reading the consent of msi Spergel Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor including property municipally known as 98 James Street South, Hamilton, Ontario and more particularly described as:

PIN	17171 – 0009 LT
DESCRIPTION	PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST, MACNAB ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON

(the "Property").

RECEIVER'S POWERS

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

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

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; 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.

4. THIS COURT ORDERS that, subject to any further order of this Court, the Receiver shall not provide less than ten (10) days' notice to the secured creditors of the Debtor of any motion for an order to approve a transaction which is the subject of section 3(k)(ii) of this Order.

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.

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 \$200,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of

any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.spergel.ca/2203284OntarioInc.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or

other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

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

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

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity

- 14 -

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 À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUN 22 2017

PER / PAR: 

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "Receiver") of the assets, undertakings and properties of 2203284 Ontario Inc. acquired for, or used in relation to a business carried on by the Debtor, including property municipally known as 98 James Street South, Hamilton, Ontario and more particularly described as:

PIN	17171 – 0009 LT
DESCRIPTION	PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST, MACNAB ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON

(the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 22nd day of June, 2017 (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.

- 2 -

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 _____, 2017.

msi Spergel Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name: Trevor Pringle

Title: Senior Vice-President

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Applicant

- AND -

2203284 ONTARIO INC.
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial Court)**

PROCEEDINGS COMMENCED AT TORONTO

**ORDER
(appointing Receiver)**

SimpsonWigle LAW LLP
1 Hunter Street East
Suite 200
P.O. Box 990
Hamilton, Ontario, L8N 3R1

DAVID J. H. JACKSON
LSUC NO. AO15656-R

Tel: (905) 528-8411
Fax: (905) 528-9008

Lawyers for the Applicant

TAB B

Court File No. CV-17-11827-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
 (Commercial List)

BETWEEN

DUCA FINANCIAL SERVICES CREDIT UNION LTD.

Applicant

-AND-

2203284 ONTARIO INC.

Respondent

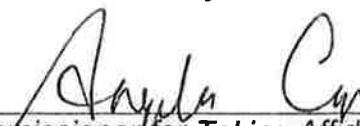
APPLICATION UNDER Subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended, Section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended, and Rule 14.05(3)(g) and (h) of the *Rules of Civil Procedure*

AFFIDAVIT OF SERVICE


I, SHERINE BURKE, of the City of Hamilton, in the Province of Ontario, AFFIRM AND SAY AS FOLLOWS:

1. I am a legal assistant at the law firm of SimpsonWigle LAW LLP, lawyers for the Applicant and as such, have knowledge of the matters hereinafter depose to.
2. On June 12, 2017, I served the Application Record (Applicant returnable June 22, 2017) upon the individuals listed in Schedule "A" attached hereto by electronic mail.

AFFIRM BEFORE ME at the City
 of Hamilton, in the Province of
 Ontario, this 12th day of June, 2017.


 Commissioner for Taking Affidavits (or as
 may be)

Angela Erna Cope, a Commissioner, etc.,
 City of Hamilton, for SimpsonWigle Law LLP.


 Sherine Burke

Expires July 30, 2017.

SCHEDULE "A"

<p>2203284 Ontario Inc. 93 Skyway Avenue Suite 210 Toronto, ON M9W 6N6</p> <p>Attention: Luigi Santaguida</p> <p>Email: louie@stantonrenaissance.com</p>	<p>Zimmerman Associates Barrister and Solicitors 3338 Dufferin Street Toronto, ON M6A 3A4</p> <p>Lawrence Zimmerman Tel: (416) 489-9222 Fax: (416) 489-6222 Email: larry@zimlaw.ca</p> <p>Lawyers for the Respondent, 2203284 Ontario Inc.</p>
<p>msi Spergel Inc. 21 King Street West Suite 1602 Hamilton, ON L8P 4W7</p> <p>Trevor Pringle Tel: (905) 527-2227 Fax: (905) 527-6670 Email: tpringle@spergel.ca</p> <p>Proposed Receiver</p>	<p>The Guarantee Company of North America 4950 Yonge Street Suite 1400, Madison Centre Toronto, ON M2N 6K1</p> <p>Tel: (416) 223-9580 Fax: (416) 223-6577</p> <p>Randy Musselman rmusselman@gcna.com</p> <p>Jules Quenneville jquenneville@gcna.com</p> <p>Dick Longland dlongland@gcna.com</p> <p>Second Mortgagee</p>
<p>Schneider Ruggiero Law 1000 – 120 Adelaide Street West Toronto, ON M5H 3V1</p> <p>George Ruggiero Tel: (416) 363-2212 Fax: (416) 363-0645 Email: gruggiero@srllawpractice.com</p> <p>Lawyer for Diversified Capital Inc., Third Mortgagee</p>	<p>Zimmerman Associates Barrister and Solicitors 3338 Dufferin Street Toronto, ON M6A 3A4</p> <p>Lawrence Zimmerman Tel: (416) 489-9222 Fax: (416) 489-6222 Email: larry@zimlaw.ca</p> <p>Lawyers for Mary Lou Santaguida, Fourth and Fifth Mortgagee</p>

<p>1220356 Ontario Limited and Taragar Holdings Limited % Avenue Capital Mortgage Administration Inc. 480 Lawrence Ave. W. 4th Fl. Toronto, ON M5M 1C4</p> <p>Tel: (416) 225-0555 Fax: (647) 438-2066</p>	<p>Her Majesty the Queen in Right of the Province of Ontario as represented by The Ministry of Finance 33 King Street West 6th Floor Oshawa, ON L1H 1A1</p> <p>Kevin J. O'Hara Kevin.Ohara@ontario.ca</p> <p>Tel: (905) 433-6934 Fax: (905) 436-4510</p>
<p>Canada Revenue Agency % Department of Justice The Exchange Tower 130 King Street West Suite 3400 Toronto, ON M5X 1K6</p> <p>Diane Winters Diane.Winters@justice.gc.ca</p> <p>Peter Zevenhuizen Peter.Zevenhuizen@justice.gc.ca</p> <p>Tel: (416) 973-3172 Fax: (416) 973-0810</p>	

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Applicant

- AND -

2203284 ONTARIO INC.
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial Court)**

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF SERVICE

SimpsonWigle LAW LLP
1 Hunter Street East
Suite 200
P.O. Box 990
Hamilton, Ontario, L8N 3R1

DAVID J. H. JACKSON
LSUC NO. AO15656-R

Tel: (905) 528-8411

Fax: (905) 528-9008

Lawyers for the Applicant

TAB C

Request ID: 019879724
 Transaction ID: 63482513
 Category ID: UN/E

Province of Ontario
 Ministry of Government Services

Date Report Produced: 2017/02/03
 Time Report Produced: 12:08:28
 Page: 1

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2203284	2203284 ONTARIO INC.	2009/04/14
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
93 SKYWAY AVENUE	NOT APPLICABLE	NOT APPLICABLE
Suite # 210 TORONTO ONTARIO CANADA M9W 6N6	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
93 SKYWAY AVENUE		NOT APPLICABLE
Suite # 210 TORONTO ONTARIO CANADA M9W 6N6	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
Activity Classification	Number of Directors Minimum Maximum	
NOT AVAILABLE	00001 00010	

Request ID: 019879724
Transaction ID: 63482513
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/03
Time Report Produced: 12:08:28
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CORPORATION PROFILE REPORT

Ontario Corp Number

2203284

Corporation Name

2203284 ONTARIO INC.

Corporate Name History

2203284 ONTARIO INC.

Effective Date

2009/04/14

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

**Administrator:
Name (Individual / Corporation)**

LOUIE

SANTAGUIDA

Address

94 BROCKPORT DRIVE

TORONTO
ONTARIO
CANADA M9W 5C5**Date Began**

2009/04/14

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

Request ID: 019879724
Transaction ID: 63482513
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/03
Time Report Produced: 12:08:28
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CORPORATION PROFILE REPORT

Ontario Corp Number

2203284

Corporation Name

2203284 ONTARIO INC.

**Administrator:
Name (Individual / Corporation)**LOUIE
SANTAGUIDA**Address**94 BROCKPORT DRIVE

TORONTO
ONTARIO
CANADA M9W 5C5**Date Began**

2009/04/14

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

**Administrator:
Name (Individual / Corporation)**LOUIE
SANTAGUIDA**Address**94 BROCKPORT DRIVE

TORONTO
ONTARIO
CANADA M9W 5C5**Date Began**

2009/04/14

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 019879724
Transaction ID: 63482513
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/03
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CORPORATION PROFILE REPORT

Ontario Corp Number

2203284

Corporation Name

2203284 ONTARIO INC.

**Administrator:
Name (Individual / Corporation)**LUIGI
SANTAGUIDA**Address**14 ST. MARGARETS DRIVE

TORONTO
ONTARIO
CANADA M4N 3E5**Date Began**

2009/04/14

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type**Resident Canadian**

Y

**Administrator:
Name (Individual / Corporation)**LUIGI
SANTAGUIDA**Address**14 ST. MARGARETS DRIVE

TORONTO
ONTARIO
CANADA M4N 3E5**Date Began**

2009/04/14

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Request ID: 019879724
Transaction ID: 63482513
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/03
Time Report Produced: 12:08:28
Page: 5

CORPORATION PROFILE REPORT

Ontario Corp Number

2203284

Corporation Name

2203284 ONTARIO INC.

**Administrator:
Name (Individual / Corporation)**

LUIGI
SANTAGUIDA

Address

14 ST. MARGARETS DRIVE

TORONTO
ONTARIO
CANADA M4N 3E5

Date Began

2009/04/14

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 019879724
Transaction ID: 63482513
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/03
Time Report Produced: 12:08:28
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CORPORATION PROFILE REPORT

Ontario Corp Number

2203284

Corporation Name

2203284 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2016/10/06

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Director of Companies and Personal Property Security Branch.

Request ID: 019879726
Transaction ID: 63482517
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/03
Time Report Produced: 12:08:32
Page: 1

CORPORATION DOCUMENT LIST

Ontario Corporation Number

2203284

Corporation Name

2203284 ONTARIO INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	CHANGE NOTICE PAF: ROSS, PETER M.	1	2016/10/06
CIA	INITIAL RETURN PAF: SANTAGUIDA, LOUIE	1	2009/11/09 (ELECTRONIC FILING)
BCA	ARTICLES OF INCORPORATION	1	2009/04/14 (ELECTRONIC FILING)

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992 AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

ALL "PAF" (PERSON AUTHORIZING FILING) INFORMATION IS DISPLAYED EXACTLY AS RECORDED IN ONBIS. WHERE PAF IS NOT SHOWN AGAINST A DOCUMENT, THE INFORMATION HAS NOT BEEN RECORDED IN THE ONBIS DATABASE.

The issuance of this report in electronic form is authorized by the Director of Companies and Personal Property Security Branch.

TAB D

Lawrence Hansen

From: Sherine Burke <BurkeS@simpsonwigle.com>
Sent: June-22-17 2:04 PM
To: louie@stantonrenaissance.com; larry@zimlaw.ca; Trevor Pringle;
gruggiero@srlawpractice.com; HMTQ; Diane Winters (CRA); Peter Zevenhuizen (CRA);
ericinspektor@gmail.com; markatlin@bellnet.ca; AMacfarlane@blg.com; Lawrence
Hansen
Cc: David J. H. Jackson
Subject: RE: Duca Financial Services Credit Union Ltd. and 2203284 Ontario Inc.
Attachments: Order Conway J 2017 06 22.pdf; L Service List 2017 06 22 encl Order.pdf

Good afternoon,

Please see attached letter from Mr. Jackson along with Order of Justice Conway. Thanks

Sherine Burke
Assistant to David Jackson

SimpsonWigle LAW LLP
1 Hunter Street East, Suite 200,
Hamilton, ON, L8N 3R1
P.O. Box 990, Hamilton, Ontario L8N 3R1

Phone: 905-528-8411 ext 314
Fax: 905-528-9008

E-mail: BurkeS@simpsonwigle.com
Website: <http://www.simpsonwigle.com>



SimpsonWigle
LAW LLP

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SimpsonWigle
LAW LLP

1 Hunter Street East, Suite 200
Hamilton, Ontario L8N 3W1
P.O. Box 990, Hamilton, Ontario L8N 3R1
Tel: 905-528-8411 Fax: 905-528-9008
www.simpsonwigle.com

David J. Jackson
Tel: 905-528-8411 Ext. 304
E-mail: jacksond@simpsonwigle.com

June 22, 2017

VIA EMAIL

TO: SERVICE LIST

Dear Sir/Madam:

Re: Duca Financial Services Credit Union Ltd. and 2203284 Ontario Inc.

Enclosed please find Order of Justice Conway dated June 22, 2017, appointing msi Spergel Inc. as Receiver of 2203284 Ontario Inc.

Yours very truly,

SimpsonWigle LAW LLP

David J. Jackson
DJJ/spb

Encl.
cc: Client

P.D. MILNE	L.W. MATTHEWS	J.N. ROSENBLATT	J.C. BROWN	D.J.H. JACKSON	M.C. MORGAN
J.M. WIGLE	T. BULLOCK	D.A. SCHMUCK*	J.C. MONACO*	B.J. FOREMAN	K.I. OSBORNE
R.A. FISHER*	P.A. RAMACIERI**	S.M. LAW	B.C. LANGLOTZ	C.A. OLSIAK	S.R. LEE
H.A. HAMDANI	E. SAVAS**	G. NALSOK	K. WYSYNSKI	M. DURDAN	B. SARSH
M.M. CHUCHLA	A. PAPALIA	S.H. COSTA	A. KNUDSEN	A.M. STONE	T.P. LAMBERT
G.B DALEY					

*Professional Corporation ** Member of the Ontario and New York Bar

Burlington Office: 390 Brant Street, Suite 501, Burlington, Ontario L7R 4J4 Tel: 905-639-1052 Fax: 905-333-3960

Court File No.CV-17-11827-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

)

THURSDAY, THE 22ND

)

JUSTICE *Conway*

)

DAY OF JUNE, 2017

**DUCA FINANCIAL SERVICES CREDIT UNION LTD.**

Applicant

- and -

2203284 ONTARIO INC.

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 msi Spergel Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of 2203284 Ontario Inc. (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Sergiu Cosmin sworn June 9, 2017 and the Exhibits thereto and on hearing the submissions of counsel for Duca Financial Services Credit Union Ltd., no one appearing for the Debtor although duly served as appears from the affidavit of service of Sherine Burke affirmed June 12, 2017 and the affidavit of service of Samantha Harris sworn June 13, 2017 and on reading the consent of msi Spergel Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, msi Spergel Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor including property municipally known as 98 James Street South, Hamilton, Ontario and more particularly described as:

PIN	17171 – 0009 LT
DESCRIPTION	PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST, MACNAB ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON

(the "Property").

RECEIVER'S POWERS

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

- 3 -

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

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$25,000.00, provided that the aggregate consideration for all such transactions does not exceed \$100,000.00; 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.

4. THIS COURT ORDERS that, subject to any further order of this Court, the Receiver shall not provide less than ten (10) days' notice to the secured creditors of the Debtor of any motion for an order to approve a transaction which is the subject of section 3(k)(ii) of this Order.

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.

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 \$200,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of

any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

SERVICE AND NOTICE

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL www.spergel.ca/2203284OntarioInc.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or

other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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

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

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


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

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity

- 14 -

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.

A handwritten signature in black ink, appearing to be "Conrad", is written over a horizontal line.

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

JUN 22 2017

PER / PAR: 

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that msi Spergel Inc., the receiver (the "Receiver") of the assets, undertakings and properties of 2203284 Ontario Inc. acquired for, or used in relation to a business carried on by the Debtor, including property municipally known as 98 James Street South, Hamilton, Ontario and more particularly described as:

PIN	17171 – 0009 LT
DESCRIPTION	PT LT 75 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON; PT LT 76 P. HAMILTON SURVEY (UNREGISTERED) CITY OF HAMILTON (BTN HUNTER ST, MACNAB ST, JACKSON ST & JAMES ST) AS IN HA59712; CITY OF HAMILTON

(the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 22nd day of June, 2017 (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 _____, 2017.

msi Spergel Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name: Trevor Pringle

Title: Senior Vice-President

DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Applicant

- AND -

2203284 ONTARIO INC.
Respondent

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial Court)**

PROCEEDINGS COMMENCED AT TORONTO

**ORDER
(appointing Receiver)**

SimpsonWigle LAW LLP
1 Hunter Street East
Suite 200
P.O. Box 990
Hamilton, Ontario, L8N 3R1

DAVID J. H. JACKSON
LSUC NO. AO15656-R

Tel: (905) 528-8411
Fax: (905) 528-9008

Lawyers for the Applicant

TAB E

Sherine Burke

From: Microsoft Outlook
To: louie@stantonrenaissance.com
Sent: Thursday, June 22, 2017 2:04 PM
Subject: Relayed: RE: Duca Financial Services Credit Union Ltd. and 2203284 Ontario Inc.

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

louie@stantonrenaissance.com (louie@stantonrenaissance.com)

Subject: RE: Duca Financial Services Credit Union Ltd. and 2203284 Ontario Inc.



RE: Duca Financial
Services Cr...

TAB F

Sherine Burke

From: Microsoft Outlook
To: larry@zimlaw.ca
Sent: Thursday, June 22, 2017 2:04 PM
Subject: Relayed: RE: Duca Financial Services Credit Union Ltd. and 2203284 Ontario Inc.

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

larry@zimlaw.ca (larry@zimlaw.ca)

Subject: RE: Duca Financial Services Credit Union Ltd. and 2203284 Ontario Inc.



RE: Duca Financial
Services Cr...

TAB G

Daniel Battiston

From: Daniel Battiston
Sent: June 22, 2017 5:37 PM
To: 'louie@stantonrenaissance.com'
Cc: Trevor Pringle; Deborah Hornbostel; Evan McCullagh; 'larry@zimlaw.ca'
Subject: Duca Financial Services Credit Union Ltd. v. 2203284 Ontario Inc.
Attachments: Order Conway J 2017 06 22.pdf

Mr. Santaguida,

Further to today's motion, attached for your reference is a copy of the order of Justice Conway (the "Order") appointing Msi Spergel receiver of 2203284 Ontario Inc. (the "Debtor"). Subsequent to taking possession of the Hamilton site, I attended your office located at 93 Skyway Avenue, Suite 210, Toronto, ON with the purposes of securing the books and records of the Debtor; however, the office was locked and it appeared that no staff was present.

I draw your attention to paragraph six of the Order which imposes an obligation upon the Debtor, current and former directors, officers, employees, shareholders, etc. to provide the receiver access to the books and records of the Debtor forthwith. As a result, please advise when I may return to your office for the purposes previously stated.

Thank you

Daniel Battiston, CPA, CA | Manager - Corporate Estates

 **msi Spergel inc., Licensed Insolvency Trustee**
 505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8
 T 647-288-7625 | F 416-494-7199
SPERGEL dbattiston@spergel.ca | www.spergel.ca

ICIN Member of the Independent
 Canadian Insolvency Network



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TAB H

Daniel Battiston

From: Daniel Battiston
Sent: June 27, 2017 2:33 PM
To: 'louie@stantonrenaissance.com'
Cc: 'larry@zimlaw.ca'
Subject: RE: Duca Financial Services Credit Union Ltd. v. 2203284 Ontario Inc.

Mr. Santaguida,

I have not received a response to my email below. Please advise when I can attend your offices to retrieve the books and records of the corporation.

Thank you

Daniel Battiston, CPA, CA | Manager - Corporate Estates

 **msi Spergel inc., Licensed Insolvency Trustee**
 505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8
 T 647-288-7625 | F 416-494-7199
SPERGEL dbattiston@spergel.ca | www.spergel.ca



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From: Daniel Battiston
Sent: June 22, 2017 05:37 PM
To: 'louie@stantonrenaissance.com'
Cc: Trevor Pringle; Deborah Hornbostel; Evan McCullagh; 'larry@zimlaw.ca'
Subject: Duca Financial Services Credit Union Ltd. v. 2203284 Ontario Inc.

Mr. Santaguida,

Further to today's motion, attached for your reference is a copy of the order of Justice Conway (the "Order") appointing Msi Spergel receiver of 2203284 Ontario Inc. (the "Debtor"). Subsequent to taking possession of the Hamilton site, I attended your office located at 93 Skyway Avenue, Suite 210, Toronto, ON with the purposes of securing the books and records of the Debtor; however, the office was locked and it appeared that no staff was present.

I draw your attention to paragraph six of the Order which imposes an obligation upon the Debtor, current and former directors, officers, employees, shareholders, etc. to provide the receiver access to the books and records of the Debtor forthwith. As a result, please advise when I may return to your office for the purposes previously stated.

Thank you

Daniel Battiston, CPA, CA | Manager - Corporate Estates

 **msi Spergel inc., Licensed Insolvency Trustee**
 505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8
 T 647-288-7625 | F 416-494-7199
SPERGEL dbattiston@spergel.ca | www.spergel.ca

TAB I

Deborah Hornbostel

From: Deborah Hornbostel
Sent: July 5, 2017 9:35 AM
To: Louie Santaguida (louie@stantonrenaissance.com); 'larry@zimlaw.ca'
Cc: Trevor Pringle; Lawrence Hansen (Lawrence.Hansen@devrylaw.ca)
Subject: 2203284 Ontario Inc.
Attachments: Santaguida July 5.17.pdf; Order Conway J 2017 06 22.pdf

Mr. Santaguida and Mr. Zimmerman,

Please see the attached correspondence from the Receiver of 2203284 Ontario Inc.

Deborah Hornbostel, CPA, CA, CIRP, LIT, CFE | Senior Principal

 **msi Spergel Inc., Licensed Insolvency Trustees**
505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8
T 416-498-4308 | F 416-498-4308

SPERGEL deborah@spergel.ca | www.spergel.ca

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SPERGEL

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

Direct Phone & Fax: 416 498 4308

deborah@spergel.ca

July 5, 2017

Via Email louie@stantonrenaissance.com

2203282 Ontario Inc.

93 Skyway Avenue

Suite 210

Toronto, ON M9W 6N6

Attention: Mr. Luigi Santaguida

And

Via Email larry@zimlaw.ca

Zimmerman Associates

Barristers and Solicitors

3338 Dufferin Street

Toronto, ON M6A 3A4

Attention: Mr. Lawrence Zimmerman

Dear Sirs:

Re: 2203284 Ontario Inc. (the "Debtor")

Since the issuance of the June 22, 2017, Court Order of Justice Conway (the "Order") appointing msi Spergel Inc. as the Receiver of the Debtor, copy attached, we have attended at the Debtor's offices on four separate days during regular business hours without being able to locate anyone at the premises. Our emails to Mr. Santaguida and the Debtor's solicitor, Lawrence Zimmerman of Zimmerman Associates Barrister and Solicitors, have not been responded too, nor has our phone message to Mr. Zimmerman.

In accordance with Sections 5, 6 and 7 of the Order, you are required to provide access and co-operation to the Receiver. In particular, you are required to forthwith advise the Receiver of the existence of any books, documents, securities, contracts, corporate and accounting records, computerized records, plans, drawings and any other papers, records and information of any kind related to the business or affairs of the Debtor in your possession or control and 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.

msi Spergel Inc. Licensed Insolvency Trustees 505 Consumers Road, Suite 200, Toronto, ON M2H 4V8 • Tel 416 497 1600 • Fax 416 494 7199

• Barrie 705 722 5090 • Hamilton 905 527 2227 • Mississauga 905 602 4143 • Oshawa 905 721 8251 • Toronto Central 416 778 8813
• Brampton 905 874 4905 • London 519 902 2772 • Peterborough 705 748 3333 • Scarborough 416 642 1563 • Saskatchewan 306 341 1860

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and Restructuring Practitioners

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It is imperative that you comply with the foregoing within the next five business days, failing which the Receiver will proceed to Court for a further order to obtain unfettered access to the Debtor's records, wherever located. Such an order may also have cost consequences for you.

Kindly contact the writer to make arrangements for the turnover of the books and records upon receipt of this correspondence.

Yours very truly,

msi Spergel Inc.

Per:



Deborah Hornbostel *CPA, CA, CIRP, LIT, CFE*



SPERGEL

TAB J

Lawrence Hansen

From: Lawrence Hansen
Sent: June-28-17 1:02 PM
To: 'GRuggiero@srllawpractice.com'
Cc: tpringle@spergel.ca; 'deborah@spergel.ca'; MacFarlane, Alex (AMacfarlane@blg.com); JacksonD@simpsonwiggles.com
Subject: Deposits, etc
Attachments: FW: GCNA - 2203284 Ontario Limited, The Connolly - Our File number 37393

Thanks for speaking to me and for your email (attached).

With respect to the deposits, please send me something setting out each depositor's name, contact information, the deposit amount and date of the deposit.

Please correspond with Deborah Hornbostel, who is from the receiver's Toronto office and is copied on this message, in respect of arrangements to get the agreements.

I have also copied Trevor Pringle, who instructs us, as well as Alex MacFarlane and David Jackson, who act for secured creditors.

Thanks.

Lawrence Hansen
DEVRY SMITH FRANK *LLP*
Lawyers & Mediators

416-446-5097 (direct line)
416-449-1400 (reception)
416-449-7071 (fax)

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TAB K

Deborah Hornbostel





From: Deborah Hornbostel
Sent: June 28, 2017 2:08 PM
To: 'GRuggiero@srlawpractice.com'
Subject: Deposits, etc
Attachments: FW: GCNA - 2203284 Ontario Limited, The Connolly - Our File number 37393

George,

Further to the exchange of emails this morning regarding the agreements of purchase and sale, the Receiver undertakes to either cover the cost of the printer or to pick them and return them promptly to you after we have photocopied them. I await your decision and thank you in advance for your prompt cooperation.

Deborah Hornbostel, CPA, CA, CIRP, LIT, CFE | Senior Principal

 **msi Spergel Inc., Licensed Insolvency Trustees**
 505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8
 T 416-498-4308 | F 416-498-4308
SPERGEL deborah@spergel.ca | www.spergel.ca

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From: Lawrence Hansen [<mailto:Lawrence.Hansen@devrylaw.ca>]
Sent: June 28, 2017 1:02 PM
To: GRuggiero@srlawpractice.com
Cc: Trevor Pringle; Deborah Hornbostel; MacFarlane, Alex (AMacfarlane@blg.com); JacksonD@simpsonwiggles.com
Subject: Deposits, etc

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Lawrence Hansen
 DEVRY SMITH FRANK LLP
 Lawyers & Mediators

416-446-5097 (direct line)

416-449-1400 (reception)

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TAB K

Lawrence Hansen

From: No Reply
Sent: June-28-17 11:30 AM
To: Lawrence Hansen
Subject: FW: GCNA - 2203284 Ontario Limited, The Connolly - Our File number 37393

Hi Lawrence,

Please find an email addressed to you below.

Best Regards,

Maria Vasserman | Marketing Coordinator | Direct Tel/Fax: (416) 446-5084

DEVRY SMITH FRANK LLP
Lawyers & Mediators
Toronto | Barrie | Whitby

Independent Member of GGI

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From: George Ruggiero [mailto:GRuggiero@srlawpractice.com]
Sent: June 28, 2017 11:28 AM
To: No Reply
Cc: Lola Fazzalari; David Spencer
Subject: GCNA - 2203284 Ontario Limited, The Connolly - Our File number 37393

This email is directed to Lawrence Hansen of Devry Smith Frank LLP. I understand that you represent the receiver which has been appointed in this matter.

Further to our telephone conversation of this morning, I confirm that our firm has in our trust account \$6,032,331.07 plus interest from May 1, 2017 to the credit of the above noted file. This amount represents purchaser deposits in the above noted matter.

By copy to our senior law clerk, Lola Fazzalari, I am asking Lola to consider the best way to accommodate your request re. obtaining the agreements of purchase and sale.

As we cannot release the agreements to you without having a copy on file, one possibility may be to have us send them to a printer to be copied (at the expense of the receiver) or we may be able to allow you to pick up the agreements in exchange for an undertaking that you will arrange for photocopying and return.

Once I confer with Lola and my partner David Spencer, we will get back to you.

George Ruggiero
Managing Partner



Toronto Office
1000-120 Adelaide Street West
Toronto, ON M5H 3V1
Direct Line: 416-363-2212
Main Line: 416-363-2211
Toll Free: 1-800-268-2111
Fax No. 416-363-0645
Email: GRuggiero@srllawpractice.com
Website: www.srllawpractice.com

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TAB M

Lawrence Hansen

From: George Ruggiero <GRuggiero@srlawpractice.com>
Sent: July-05-17 10:46 AM
To: Lawrence Hansen
Cc: tpringle@spergel.ca; deborah@spergel.ca; MacFarlane, Alex (AMacfarlane@blg.com); JacksonD@simpsonwiggles.com; David Spencer
Subject: RE: Deposits, etc

Greetings Lawrence.

I have now had an opportunity to speak with my partner David Spencer who is head of our firm's condominium development department.

There are significant outstanding legal fees owed to our firm (I am able to provide you with copies of the outstanding accounts on request) and we are not able to provide you with the information and agreements that you have requested until such time as our fees are paid as our firm has the right to a solicitor's lien in support of the substantial unpaid work that has been done.

We look forward to hearing from you.

George Ruggiero
Managing Partner



Toronto Office
1000-120 Adelaide Street West
Toronto, ON M5H 3V1
Direct Line: 416-363-2212
Main Line: 416-363-2211
Toll Free: 1-800-268-2111
Fax No. 416-363-0645
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Website: www.srlawpractice.com

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From: Lawrence Hansen [mailto:Lawrence.Hansen@devrylaw.ca]
Sent: July 3, 2017 1:16 PM
To: George Ruggiero
Cc: tpringle@spergel.ca; deborah@spergel.ca; MacFarlane, Alex (AMacfarlane@blg.com); JacksonD@simpsonwiggles.com
Subject: RE: Deposits, etc

Hi George,

Hope that you had a good holiday weekend. Am just following up re the message below.

Thanks.

LH

From: Lawrence Hansen
Sent: June-28-17 1:02 PM
To: 'GRuggiero@srllawpractice.com'
Cc: tpringle@spergel.ca; 'deborah@spergel.ca'; MacFarlane, Alex (AMacfarlane@blg.com); JacksonD@simpsonwiggles.com
Subject: Deposits, etc

Thanks for speaking to me and for your email (attached).

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I have also copied Trevor Pringle, who instructs us, as well as Alex MacFarlane and David Jackson, who act for secured creditors.

Thanks.

Lawrence Hansen
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Lawyers & Mediators

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TAB N

Lawrence Hansen

From: Lawrence Hansen
Sent: July-05-17 3:47 PM
To: 'George Ruggiero'
Cc: tpringle@spergel.ca; deborah@spergel.ca; MacFarlane, Alex (AMacfarlane@blg.com); JacksonD@simpsonwiggles.com; David Spencer
Subject: RE: Deposits, etc

Thanks, George.

I am not sure that a solicitor's lien can be successfully advanced in the face of a receivership order and its mandatory provisions. That said, the receiver will make arrangements to access the documents at your office. Please correspond with Deborah Hornbostel, who is from the receiver's Toronto office and is copied on this message, for this.

Thanks.

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Cc: tpringle@spergel.ca; deborah@spergel.ca; MacFarlane, Alex (AMacfarlane@blg.com); JacksonD@simpsonwiggles.com; David Spencer
Subject: RE: Deposits, etc

Greetings Lawrence.

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There are significant outstanding legal fees owed to our firm (I am able to provide you with copies of the outstanding accounts on request) and we are not able to provide you with the information and agreements that you have requested until such time as our fees are paid as our firm has the right to a solicitor's lien in support of the substantial unpaid work that has been done.

We look forward to hearing from you.

George Ruggiero
Managing Partner



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Hi George,

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TAB O

Lawrence Hansen

From: Deborah Hornbostel <deborah@spergel.ca>
Sent: July-06-17 1:23 PM
To: George Ruggiero
Cc: Trevor Pringle; MacFarlane, Alex (AMacfarlane@blg.com); JacksonD@simpsonwiggles.com; David Spencer; Lawrence Hansen
Subject: RE: Deposits, etc 2203284 Ontario Inc.
Attachments: Order Conway J 2017 06 22.pdf

George,

Further to our brief conversation today, please find attached a copy of the June 22, 2017 Court Order of Justice Conway with respect to the receivership of 2203284 Ontario Inc. (the "Debtor"). Please review paragraphs five and six of the Order which provide a duty for Schneider Ruggiero Law to provide access and co-operation to the Receiver, which includes among other items, providing copies of the agreements of purchase and sale and records of all deposits received and funds held.

I look forward to hearing back from you at your earliest convenience after you review the Order.

Regards,

Deborah Hornbostel, CPA, CA, CIRP, LIT, CFE | Senior Principal



msi Spergel Inc., Licensed Insolvency Trustees

505 Consumers Road, Suite 200, Toronto, Ontario, M2J 4V8

T 416-498-4308 | F 416-498-4308

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deborah@spergel.ca | www.spergel.ca

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We look forward to hearing from you.

George Ruggiero
Managing Partner



Toronto Office
1000-120 Adelaide Street West
Toronto, ON M5H 3V1
Direct Line: 416-363-2212
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DEVRY SMITH FRANK *LLP*
Lawyers & Mediators

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DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Applicant

and

2203284 ONTARIO LTD.
Respondent

Court File No.: CV-17-11827-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at

TORONTO

MOTION RECORD
(returnable July 21, 2017)

DEVRY SMITH FRANK *LLP*
Lawyers & Mediators
95 Barber Greene Road, Suite 100
Toronto, ON M3C 3E9

LAWRENCE HANSEN
LSUC #41098W

Tel.: 416-449-1400
Fax: 416-449-7071

Lawyers for the receiver
msi Spergel Inc.