

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

ROYAL BANK OF CANADA

Applicant

and

STAR TOWERS LTD., 2141239 ONTARIO INC.,
and HAROON RASHID

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

**SUPPLEMENTARY APPLICATION RECORD
(appointing receiver)
(returnable January 28, 2025)**

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SUPPLEMENTARY AFFIDAVIT

I, Jerry Tsao, of the City of Toronto, Province of Ontario, MAKE OATH AND SAY:

1. I am a Senior Manager in the Special Loans and Advisory Services Department (“**SLAS**”) at Royal Bank of Canada (“**RBC**”). I have responsibility for matters pertaining to the borrowings of Star Towers Ltd. (“**Star**”) and 2141239 Ontario Inc. (“**214**” and collectively with Star are the “**Corporations**”) and as such have personal knowledge of the matters to which I depose herein.
2. This affidavit is in addition to my affidavit dated November 20, 2024 (the “**First Affidavit**”) and updates the court on the amounts due and owing under the Credit Facilities. Unless stated otherwise, I adopt the definitions contained in my First Affidavit.

3. As of January 20, 2025, the Corporations' indebtedness to RBC is as follows:

(a) Star is indebted to RBC in the amount \$1,367,787.46, consisting of:

(i) \$744,368.51 under the First Star Term Facility;

(ii) \$603,257.84 under the Second Star Term Facility; and

(iii) \$20,161.11 under the business credit card facilities.

(b) 214 is indebted to RBC in the amount \$197,601.47, consisting of:

(i) \$155,675.66 under the line of credit; and

(ii) \$41,925.81 under the business credit card facilities.

Interest and costs continue to accrue on the above amounts.

4. As noted at paragraph 15 of my First Affidavit, Star guaranteed the obligations of 214.

5. At paragraph 15 of my First Affidavit, I provide a summary of the guarantees provided by Haroon with respect to both 214 and Star. Specifically, Haroon provided:

(a) a guarantee of Star's obligations in the maximum amount of \$775,000.00, plus interest and costs (the "**Star General Guarantee**");

- (b) a guarantee limited to Star's obligations under the Second Star Term Facility, in the maximum amount of \$562,500.00, plus interest and costs (the "**Second Term Facility Guarantee**");
- (c) a guarantee with respect to Star's obligations under the mortgage registered on title to the Division Property, in the maximum amount of \$775,000.00, plus interest and costs (the "**Collateral Mortgage Guarantee**", and together with the Star General Guarantee and the Second Term Facility Guarantee are the "**Star Guarantees**"); and
- (d) a guarantee with respect to 214's obligations to RBC, in the maximum amount of \$200,000.00, plus interest and costs (the "**214 Guarantee**", and together with the Star Guarantees are the "**Haroon Guarantees**").
6. The net result of the Haroon Guarantees is that Haroon has personally guaranteed all of the obligations owing to RBC by Star and 214:

Star Guarantees:			
<u>Guarantee:</u>	<u>Limited to:</u>	<u>Indebtedness:</u>	<u>Amount Claimed:</u>
Second Term Facility Guarantee	\$562,500.00	\$603,257.84	\$562,500.00
Collateral Mortgage Guarantee	\$775,000.00	\$775,000.00	\$775,000.00
Star General Guarantee	\$775,000.00	\$1,367,787.46	\$30,287.46
Subtotal:			\$1,367,787.46
214 Guarantee:			
<u>Guarantee:</u>	<u>Limited to:</u>	<u>Indebtedness:</u>	<u>Amount Claimed:</u>
214 Guarantee	\$200,000.00	\$197,601.47	\$197,601.47
Subtotal:			\$197,601.47
Total Guarantee Amount:			\$1,565,388.93

7. Accordingly, RBC seeks judgment against Harron in the amount of \$1,565,388.93 as of January 20, 2025, plus interest at a rate of RBP plus 5%, per annum, pursuant to the terms of the Guarantees. Further, RBC continues to seek the appoint of msi Spergel inc. as the receiver of the property, assets, and undertaking of both the Corporations and the Collateral Properties.

8. I am advised by RBC's counsel, Domenico Magisano, that at the first hearing of this matter on January 14, 2025, counsel for the respondents, Haider Ashraf, advised that the respondents were in the process of selling the Collateral Properties. RBC subsequently received the purchase agreements for the Collateral Properties from respondents' counsel, and upon review requested particulars regarding these transactions. As of the date of this affidavit, RBC has not received a response regarding its queries.

9. At Exhibit "C" and Exhibit "D" of my First Affidavit, I appended parcel searches for the Collateral Properties. I note that there are two mortgages on each property in favour of 1553357 Ontario Inc. ("**155**") registered on title to the Collateral Properties. RBC has not been provided with information sufficient to determine whether the purposed transactions will be sufficient to retire RBC's and 155's indebtedness, and if it is not, the transactions would be unable to close.

-5-


SWORN BEFORE ME:☐

in person

☒

by video conference

by Jerry Tsao, at the City of Toronto, in the municipality of Metropolitan Toronto,
Province of Ontario, on January 21, 2025, in accordance with O. Reg. 431/20,
Administering Oath or Declaration Remotely.



Signature of Commissioner *(or as may be)*

SPENCER JONES



Signature of Deponent

JERRY TSAO

ROYAL BANK OF CANADA
Applicant

-and- STAR TOWERS LTD. et al.
Respondents

Court File No. CV-24-00088154

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
HAMILTON

**SUPPLEMENTARY AFFIDAVIT OF JERRY TSAO
SWORN JANUARY 21, 2025**

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Lawyers for the Applicant

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THE HONOURABLE)	TUESDAY, THE 28 TH
)	
JUSTICE PARAYESKI)	DAY OF JANUARY, 2025

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JUDGMENT

THIS APPLICATION made by the Applicant, was heard this day at the court house, 55 Main St. E., Hamilton, Ontario.

ON READING the affidavit of Jerry Tsao sworn November 20, 2024, and the Exhibits thereto, the supplementary affidavit of Jerry Tsao sworn January 21, 2025 and the Exhibit thereto, the factum of the applicant dated January 2, 2025, and on hearing submissions from counsel for the applicant and respondents:

1. **THIS COURT** grants judgment against the respondent, Haroon Rashid, in the amount of \$1,565,388.93, representing amounts due and owing to the applicant as at January 20, 2025, pursuant to his guarantees dated January 23, 2019, February 14, 2019, October 23, 2020, and April 29, 2021 (the “**Guarantees**”).
2. **THIS COURT ORDERS** that Haroon Rashid shall pay the applicant’s costs for this application on a full indemnity basis in the amount of \$24,327.05, pursuant to the terms of the Guarantees.
3. **THIS COURT ORDERS** that post-judgment interest be paid at a rate of the applicant’s prime interest rate, plus 5.00%, compounded annually, from January 21, 2025, until all amounts due and owing to the Plaintiff are paid in full.

Date of issuance

ROYAL BANK OF CANADA
Applicant

-and- 2141239 ONTARIO INC. et al.
Respondents

Court File No. CV-24-00088154-0000

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