Court File No. CV-18-00608086-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

APPLICATION RECORD
VOLUME 1

(Sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended)

November 2, 2018

ONTARIO SECURITIES COMMISSION
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Toronto, Ontario M5H 3S8

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122 Kirk Drive
Thornhill, ON, L3T 3L4

- and -

25 Mallard Road
Toronto, ON, M3B 1S4

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Index

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G.	Statement of Allegations dated December 19, 2017 against MGMIC, MGC, Morteza Katebian ("Ben") and Payam Katebian ("Payam")
H.	Affidavit of Louisa Fiorini sworn April 4, 2017 in support of Staff's application for a Temporary Cease Trade Order
I.	Amended Statement of Allegations dated October 31, 2018 against MGMIC, MGC, Ben and Payam
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L.	Bank account statements for 239 Inc.
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Q.	Banking documents related to the flow of funds from the advance of $435,196 on the loan secured by a mortgage on the Temiskaming Property
R.	Email to Staff of the Commission dated October 30, 2017, advising of MGMIC's "desire to see the MIC redeem all investors and be wound up."
S.	Assignment Agreement dated November 2, 2017 between World Finance Corporation ("WFC") and MGMIC, a Syndication Loan Agreement, a Trust Ledger Statement, a Promissory Note, an Authorization executed November 30, 2017, and a Direction with respect to the loan
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Tab	Document
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EE.	List of payments to law firms out of MGMIC's operating account from August 2018 to October 2018 and copies of supporting bank documentation for payments to law firms
FF.	Freeze Direction issued by the Commission on October 29, 2018.

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Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

APPLICATION UNDER
Sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for a hearing before a judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario on **NOVEMBER 6, 2018 at 10:00 a.m.** or as soon after that time as the matter can be heard.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: NOV 0 1 2018 Issued by May Nikolaidis'18

Local Registrar **May Nikolaidis**

Address of Court Office:

Commercial List Office,
7th Floor, 330 University Avenue,
Toronto, Ontario
M5G 1R7

TO: **MONEY GATE MORTGAGE INVESTMENT CORPORATION**
25 Mallard Road
Toronto, ON, M3B 1S4

Courtesy copy:

TO: **GROIA & COMPANY PROFESSIONAL CORPORATION**
365 Bay Street
Suite 1100
Toronto, Ontario
M5H 2V1

Attention Kevin Richard
Counsel for Money Gate Mortgage Investment Corporation

APPLICATION

1. **THE APPLICANT MAKES APPLICATION FOR:**

(a) An order, if necessary, abridging the time for service and filing of this notice of application and the application record such that this application is properly returnable on the date it is heard, or, in the alternative, validating service on Money Gate Mortgage Investment Corporation ("**MGMIC**");

(b) An order, in the form included in the Application Record, pursuant to section 129 of the *Securities Act,* R.S.O. 1990, c. S.5 as amended (the "***Securities Act***"), appointing Grant Thornton Limited as receiver and manager (in such capacities, the "**Receiver**"), without security, of all the assets, undertakings and property of MGMIC, including all proceeds thereof (the "**Property**"), which for greater certainty includes any and all real property charges in favour of MGMIC;

(c) If necessary, an order pursuant to subsections 126(5) and 126(5.1) of the Securities Act, continuing a Freeze Direction (as defined below) issued by the Ontario Securities Commission (the "**Commission**") on October 29, 2018 until further order of this Honourable Court.

(d) If necessary, an order appointing Grant Thornton Limited as Interim Receiver of all the Property of MGMIC; and

(e) Such further and other relief as counsel may advise and this Honourable Court may permit.

1. **THE GROUNDS FOR THE APPLICATION ARE:**

The Respondent and the Principals

(a) MGMIC was incorporated in the province of Ontario in May 2014. It has a registered address in Thornhill, Ontario. It is a mortgage investment corporation that lends money to borrowers which loans are secured by residential and commercial mortgages. The current mortgage portfolio of MGMIC involves properties located in Ontario.

(b) Another related company, Money Gate Corporation ("**MGC**") operated as a mortgage administrator for MGMIC, servicing the MGMIC mortgages and received a fee in exchange for its services. MGC is licensed by Financial Services Commission of Ontario ("**FSCO**") as a mortgage brokerage and mortgage administrator.

(c) Morteza Katebian ("**Ben**") is a resident of Ontario. Ben is a director, officer, and directing mind of MGMIC and the sole director of MGC. Ben was licensed by FSCO as the principal broker of MGC during the relevant period. Ben's registration expired March 31, 2018. Ben is not currently registered with FSCO.

(d) Payam Katebian ("**Payam**" and together with Ben, the "**Principals**") is a resident of Ontario and Ben's son. Payam is a director, officer, and a directing mind of MGMIC. Payam was licensed by FSCO as a mortgage agent with MGC during the relevant period. Payam's registration expired March 31, 2018. Payam is not currently registered with FSCO.

Commission Proceedings against MGMIC and the Principals

(e) Between August 2014 and April 2017, MGMIC raised approximately $11 million from approximately 155 investors through the sale of preferred shares of MGMIC. Those investments were pooled and loaned to borrowers, which loans were secured by residential and commercial mortgages. Disclosure and other relevant documents provided to investors outlined various business practices and lending policies, which provided safeguards to reduce risks for investors. MGMIC was supposed to abide by these practices and policies in its operation as a mortgage investment corporation.

(f) In fact, between August 2014 and December 2017, MGMIC was not following these practices and policies and MGMIC was operating a far riskier mortgage investment business than the one represented to investors.

(g) Staff allege that MGMIC and the Principals defrauded investors, through misrepresentations contained in disclosure documents and by diverting corporate funds to their personal benefit. Staff also allege that they engaged in unregistered trading and carried out illegal distributions, contrary to sections 25 and 53 of the *Securities Act*.

(h) On April 27, 2017 Staff obtained a temporary cease trade order, which is still in effect and which prevents MGMIC from raising any more capital. In November 2017, MGMIC advised investors that it was winding down its operations and suspending payment of dividends to the investors.

(i) A Statement of Allegations and a Notice of Hearing were issued in December 2017. A merits hearing has been scheduled to begin on December 3, 2018.

(j) Ben and Payam continue to be the sole directors and officers of MGMIC and remain in control of the company.

Diversion of Corporate Funds

(k) Staff have recently learned that Ben and/or Payam have caused the diversion of corporate funds from MGMIC for their personal benefit.

The Mansteel Advance

(l) MGMIC holds a first and a second mortgage (collectively, the "**Temiskaming Mortgages**") in the total principal amount of approximately $3.8 million registered against the property municipally known as 1107 Lakeshore Road South, Temiskaming, Ontario (the "**Temiskaming Property**").

(m) In January 2017, MGMIC purported to make an advance of $445,000 under the second Temiskaming Mortgage to Mansteel New Liskeard Inc. ("**Mansteel**"), registered owner of the Temiskaming Property. Mansteel was beneficially owned by Arash Missaghi ("**Missaghi**"), who has been criminally charged with mortgage fraud. Missaghi's charges are still pending.

(n) Instead of being advanced to Mansteel, the loan funds were transferred to 2399029 Ontario Inc. ("**239 Inc.**"), a company owned and controlled by Ben.

(o) The Principals claimed that 239 Inc. used these funds to make interest payments on behalf of Mansteel and other borrowers. In fact, $208,874 of these funds were transferred to 2450531 Ontario Inc., a company controlled by Ben's common law spouse, Pantea Sahebdivani. Both Ben and Payam have signing authority over this account.

(p) The Temiskaming Mortgages are now in default. The Commission was advised by MGMIC that approximately $3.9 million is owing under these mortgages.

The Birchmount Advances

(q) In December 2017, after the Principals advised investors that they would wind up the company, MGMIC took an assignment (the "**WFC Assignment**") from World Finance Corporation ("**WFC**") of a 30.1% interest in a third mortgage (the "**Birchmount Mortgage**") registered in favour of WFC against the property located at 4 Birchmount Road in Toronto (the "**Birchmount Property**"). WFC is controlled by Missaghi.

(r) Pursuant to the WFC Assignment, MGMIC was to advance to WFC $1.6 million. However, from the $1.6 million advanced by MGMIC, $1,115,000 was redirected first to a company related to WFC, then to 239 Inc., and then to Ben's personal account.

(s) On April 13, 2018, a receiver was appointed by the second mortgagee over the Birchmount Property. The Birchmount Property was sold by the receiver with the approval of the Court. The purchase price for the Birchmount Property was less than the amount claimed to be owing under prior encumbrances. MGMIC has not recovered any of the $1.6 million owing under the Birchmount Mortgage.

Freeze Direction issued by the Commission

(t) As a result of the conversion of the corporate funds, Staff sought and on October 29, 2018, the Commission issued, the following Freeze Direction (the "**Freeze Direction**"):

> Pursuant to section 126(1)(a) of the *Securities Act*, that the Toronto Dominion Bank, branch 1085 at 220 Commerce Valley Drive, Unit 100, Markham, Ontario L3T 0A8, retain all funds, securities or property on deposit or under the bank's control in the name of or otherwise under the control of MGMIC, including the specified account (collectively, the "**Funds**";

(v) Pursuant to subsection 126(5) of the *Securities Act*, within 10 days of the Freeze Direction, Staff are required to serve and file a Notice of Application in the Superior Court of Justice seeking a continuation of the Freeze Direction. Staff seek a continuation of the Freeze Direction before this Honourable Court as part of this application.

(w) The Freeze Direction is justified on the basis that it is expedient for the due administration of Ontario securities law and/or the regulation of the capital markets in Ontario.

(x) Based on the conduct of the Principals, the interests of existing investors will not be served by maintaining the *status quo*. A continuation of the Freeze Direction is necessary to prevent any further diversion of corporate funds, potentially at the expense of existing investors.

(y) Staff are of the view that the conduct of the Principals has negatively affected the reputation and integrity of Ontario's capital markets.

(z) The continuation of the Freeze Direction by this Court would be reasonable and expedient in the circumstances, having due regard to the public interest and, (a) the due administration of Ontario securities law, and (b) regulation of capital markets in Ontario.

(aa) A continuation of the Freeze Directions is necessary to preserve the Funds pending the appointment of a receiver over the Property.

The Need for a Receiver

(u) Given the misconduct of MGMIC and the Principals, including the diversion of corporate funds, the appointment of a receiver over the Property is in the best interests of the investors and other stakeholders.

(v) The interests of existing investors will not be served by maintaining the status quo. A receivership is necessary to ensure an orderly wind-down of the Property under supervision of the Court and distribution of proceeds on an equitable basis.

(w) The interests of existing investors and the integrity of the capital markets would be better served if Ben and Payam did not remain in control over the Property.

(x) A receiver with control of MGMIC would be able to carry out an orderly wind up and proper distribution of the Property to creditors and investors. In the circumstances, anything less than the appointment of a receiver would not provide the necessary oversight or control to properly marshal and distribute the Property to MGMIC's stakeholders.

(y) As of October 31, 2018, MGMIC held nine outstanding loans with total principal value of approximately $10.5 million. At least seven of these loans are in default.

(z) Based on the information available to Staff as of the date of this Notice of Application, it appears that the realizable value of MGMIC's loan portfolio is significantly lower than total amount owing under these loans.

(aa) Rules 1.04, 2.03, 3.02, 6.01, 14.05, and 38 of the Ontario *Rules of Civil Procedure*.

(bb) Sections 1.1, 25, 53, 122(1)(b), 126, 126.1(b), 126(5), 126(5.1) and 129.2 of the *Securities Act*.

(cc) Such further and other grounds as the lawyer may advise and this Court may permit

2. **THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:**

(a) The Affidavit of Louisa Fiorini to be sworn;

(b) The consent of Grant Thornton Limited to act as a Receiver;

(c) Such further and other evidence as the lawyers may advise and this Honorable Court may permit.

NOV 0 1 2018

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Counsel for the Ontario Securities Commission

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NOTICE OF APPLICATION

Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, ON M5H 3S8

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Counsel for the Ontario Securities Commission

Court File No. CV-18-00608086-00CL

ONTARIO
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THE HONOURABLE	)	TUESDAY, THE 6TH
	)	
JUSTICE	)	DAY OF NOVEMBER, 2018

ONTARIO SECURITIES COMMISSION

Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

APPLICATION UNDER
Sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended

ORDER
(Appointing Receiver)

THIS APPLICATION made by the Ontario Securities Commission (the "**Commission**") for an Order pursuant to section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "***Securities Act***") appointing Grant Thornton Limited ("**GTL**") as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Money Gate Mortgage Investment Corporation (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Louisa Fiorini sworn November 1, 2018 and the Exhibits thereto and on hearing the submissions of counsel for the Commission and counsel for the Debtor, and on reading the consent of GTL to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application 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 129 of the *Securities Act*, GTL is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**"), which for greater certainty includes any and all real property charges in favour of the Debtor (the "**Real Property Charges**"), and any and all monies held by any Persons for interest reserves or prepaid interest in connection with the Real Property Charges.

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, including, without limitation, the Lender Servicing Agreement dated August 16, 2014 between the Debtor and Money Gate Corp. (the "**Lender Servicing Agreement**");

(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, including without limitation, the Real Property Charges;

(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 $250,000, provided that the aggregate consideration for all such transactions does not exceed $1,000,000; and

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

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

(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) without limiting the generality of clause 3(m) above, to share information (including personal information of identifiable individuals), meet with an discuss with any regulatory bodies and their advisors, including without limitation the Commission and any other regulatory authorities as the Receiver deems appropriate, on all matters relating to the Property, the affairs of the Debtor, and the receivership of the Debtor, subject to such terms as to confidentiality as the Receiver deems advisable.

(o) To administer the Real Property Charges notwithstanding the Lender Servicing Agreement;

(p) To register a copy of this Order and any other Orders in respect of the Property against title to any of the Property and to discharge any Order registered by the Receiver in respect of the Property against title to any of the Property;

(q) 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;

(r) 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;

(s) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(t) to examine under oath any person the Receiver reasonably considers to have knowledge of the Property and affairs of the Debtor, including, without limitation, any present or former director, officer, employee or person registered or previously registered with the Commission or Financial Services Commission of Ontario ("**FSCO**") or subject to or formerly subject to the jurisdiction of the Commission, FSCO or any other regulatory body, respecting the Property and the affairs of the Debtor;

(u) 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 the Receiver may engage as its legal counsel Chaitons LLP, notwithstanding that Chaitons LLP has had an advisory role for the Commission in connection with this proceeding.

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, pursuant to and without limiting the generality of paragraph 5 of this Order, all Persons shall, unless otherwise instructed by the Receiver: (i) deliver to the Receiver all monies held in trust for or on behalf of any of the Debtor or in relation to its business (collectively, the "**Trust Funds**"), which for greater certainty include any and all monies that are purported to be held in trust for pooled or syndicated mortgage investors in or beneficiaries under any of the Real Property Charges, including, without limitation, all monies held by way of interest reserves or prepaid interest in connection with the Real Property Charges, which Trust Funds are to be held or used by the Receiver in accordance with the terms of this Order and any further Order of this Court; and (ii) upon the Receiver's request, to provide an accounting of all funds received from or on behalf of the Debtor or its associated businesses.

7. **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 7 or in paragraph 8 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. For greater certainty, law firm trust ledgers requested by the Receiver pursuant to this Order are not subject to solicitor-client privilege and shall be produced to the Receiver.

8. **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

9. **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

10. **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, provided that nothing herein shall prevent the commencement or continuation of any investigation or proceedings against the Debtor by or before any regulatory body including, without limitation, the Commission or the Enforcement Staff of the Commission.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **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 *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (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

12. **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

13. **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

14. **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

15. **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

16. **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

17. **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

18. **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. 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

19. **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.

20. **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.

21. **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

22. **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 (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.

23. **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.

24. **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.

25. **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.

FREEZE DIRECTION

26. **THIS COURT ORDERS** that all institutions holding funds on deposit to the credit of the Debtor which are subject to the Freeze Direction issued by the Commission with respect to the Debtor on October 29, 2018 are directed to pay all such funds to the Receiver or as the Receiver may otherwise direct in writing. Upon receipt of the funds, the Freeze Direction shall

be vacated pursuant to section 126(1.1) of the *Securities Act* without the need to take any further steps.

SERVICE AND NOTICE

27. **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 of the Rules of Civil Procedure (the "**Rules**") this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules 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.granthornton.ca/moneygate.

28. **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

29. **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.

30. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor or as an officer of the Court in any other capacity.

31. **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.

32. **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.

33. **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.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $_____________________

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of ______, 20__ (the "Order") made in an action having Court file number __-CL-_______, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $___________, being part of the total principal sum of $___________ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____ day of ______________, 20__.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ____________________________________

Name:

Title:

~~Revised: January 21, 2014~~
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No. ~~———~~CV-18-00608086-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	~~WEEKDAY~~TUESDAY, THE ~~#~~6TH
	)	
JUSTICE	)	DAY OF ~~MONTH~~NOVEMBER, ~~20YR~~2018

ONTARIO SECURITIES COMMISSION

~~PLAINTIFF~~~~[1]~~

~~Plaintiff~~

Applicant

- and -

~~DEFENDANT~~

~~Defendant~~

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

APPLICATION UNDER
Sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended

ORDER
(~~appointing~~Appointing Receiver)

THIS ~~MOTION~~**APPLICATION** made by the ~~Plaintiff~~[2]Ontario Securities Commission (the "**Commission**") 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*~~129 of the *Securities Act*, R.S.O. 1990, c. ~~C~~S.~~43,~~5, as amended (the ~~"CJA"~~"***Securities Act***") appointing

~~[1] The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~
~~[2] Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

~~[RECEIVER'S NAME]~~Grant Thornton Limited ("**GTL**") as receiver ~~[~~and manager~~]~~ (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~Money Gate Mortgage Investment Corporation (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Louisa Fiorini sworn ~~[DATE]~~November 1, 2018 and the Exhibits thereto and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE]~~the Commission and counsel for the Debtor, and on reading the consent of ~~[RECEIVER'S NAME]~~GTL to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Motion~~Application and the ~~Motion~~Application is hereby abridged and validated[3] so that this ~~motion~~application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section ~~243(1)~~129 of the ~~BIA and section 101 of the CJA, [RECEIVER'S NAME]~~*Securities Act*, GTL is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**"), which for greater certainty includes any and all real property charges in favour of the Debtor (the "**Real Property Charges**"), and any and all monies held by any Persons for interest reserves or prepaid interest in connection with the Real Property Charges.

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

~~[3] If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.~~

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, including, without limitation, the Lender Servicing Agreement dated August 16, 2014 between the Debtor and Money Gate Corp. (the "**Lender Servicing Agreement**");

(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, including without limitation, the Real Property Charges;

(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.[4] 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 $~~________,~~250,000, provided that the aggregate consideration for all such transactions does not exceed $~~__________~~1,000,000; and
>
> (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

[4] ~~This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

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,~~]~~[5] 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) without limiting the generality of clause 3(m) above, to share information (including personal information of identifiable individuals), meet with an discuss with any regulatory bodies and their advisors, including without limitation the Commission and any other regulatory authorities as the Receiver deems appropriate, on all matters relating to the Property, the affairs of the Debtor, and the receivership of the Debtor, subject to such terms as to confidentiality as the Receiver deems advisable.

(o) To administer the Real Property Charges notwithstanding the Lender Servicing Agreement;

(p) ~~(n) to~~To register a copy of this Order and any other Orders in respect of the Property against title to any of the Property and to discharge any Order registered by the Receiver in respect of the Property against title to any of the Property;

[5] ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

(q) ~~(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;

(r) ~~(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;

(s) ~~(q)~~ to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(t) to examine under oath any person the Receiver reasonably considers to have knowledge of the Property and affairs of the Debtor, including, without limitation, any present or former director, officer, employee or person registered or previously registered with the Commission or Financial Services Commission of Ontario ("**FSCO**") or subject to or formerly subject to the jurisdiction of the Commission, FSCO or any other regulatory body, respecting the Property and the affairs of the Debtor;

(u) ~~(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 the Receiver may engage as its legal counsel Chaitons LLP, notwithstanding that Chaitons LLP has had an advisory role for the Commission in connection with this proceeding.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. ~~4.~~ **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, pursuant to and without limiting the generality of paragraph 5 of this Order, all Persons shall, unless otherwise instructed by the Receiver: (i) deliver to the Receiver all monies held in trust for or on behalf of any of the Debtor or in relation to its business (collectively, the "**Trust Funds**"), which for greater certainty include any and all monies that are purported to be held in trust for pooled or syndicated mortgage investors in or beneficiaries under any of the Real Property Charges, including, without limitation, all monies held by way of interest reserves or prepaid interest in connection with the Real Property Charges, which Trust Funds are to be held or used by the Receiver in accordance with the terms of this Order and any further Order of this Court; and (ii) upon the Receiver's request, to provide an accounting of all funds received from or on behalf of the Debtor or its associated businesses.

7. ~~5.~~ **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~~7 or in paragraph ~~6~~8 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. For greater certainty, law firm trust ledgers requested by the Receiver pursuant to this Order are not subject to solicitor-client privilege and shall be produced to the Receiver.

8. ~~6.~~ **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.

~~7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~

NO PROCEEDINGS AGAINST THE RECEIVER

9. ~~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

10. ~~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~~.~~, provided that nothing herein shall prevent the commencement or continuation of any investigation or proceedings against the Debtor by or before any regulatory body including, without limitation, the Commission or the Enforcement Staff of the Commission.

NO EXERCISE OF RIGHTS OR REMEDIES

11. ~~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~~*Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (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

12. ~~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

13. ~~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

14. ~~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

15. ~~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

16. ~~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

17. ~~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

18. ~~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

19. ~~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.~~[6].

20. ~~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.

21. ~~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

[6] ~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

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

22. ~~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 (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~~.

23. ~~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.

24. ~~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.

25. ~~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.

FREEZE DIRECTION

26. **THIS COURT ORDERS** that all institutions holding funds on deposit to the credit of the Debtor which are subject to the Freeze Direction issued by the Commission with respect to the Debtor on October 29, 2018 are directed to pay all such funds to the Receiver or as the Receiver may otherwise direct in writing. Upon receipt of the funds, the Freeze Direction shall be vacated pursuant to section 126(1.1) of the *Securities Act* without the need to take any further steps.

SERVICE AND NOTICE

27. ~~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 of the Rules of Civil Procedure (the "**Rules**") 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.granthornton.ca/moneygate.

28. ~~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

29. ~~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.

30. ~~28.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor or as an officer of the Court in any other capacity.

31. ~~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.

32. ~~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 basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.~~

33. ~~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.

~~DOCSTOR: 1771742\8~~

SCHEDULE ""A""

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $_____________________

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of ______, 20__ (the "Order") made in an action having Court file number __-CL-_______, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $___________, being part of the total principal sum of $___________ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____ day of _____________, 20__.

[RECEIVER'S NAME], solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ______________________________

Name:

Title:

Document comparison by Workshare Compare on Friday, November 02, 2018 3:43:15 PM

Input:	
Document 1 ID	PowerDocs://DOCS/4325416/1
Description	DOCS-#4325416-v1-MGMIC.Draft_Receivership_Order
Document 2 ID	PowerDocs://DOCS/4325416/3
Description	DOCS-#4325416-v3-MGMIC.Draft_Receivership_Order
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	100
Deletions	105
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	207

Court File No. CV-18-00608086-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N :

ONTARIO SECURITIES COMMISSION

Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

APPLICATION UNDER
Sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended

AFFIDAVIT OF LOUISA FIORINI
(Sworn November 2, 2018)

I, Louisa Fiorini, of the Town of Caledon, in the province of Ontario, MAKE OATH AND SAY:

A. ORDERS SOUGHT

1. This Affidavit is sworn in support of an application by the Ontario Securities Commission (the "**Commission**") for an order, among other things:

   (i) pursuant to section 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "***Securities Act***"), appointing Grant Thornton Limited ("**GTL**") as receiver and manager (in such capacities, the "**Receiver**"), without security, of all the assets, undertakings and property of Money Gate

Mortgage Investment Corporation ("**MGMIC**"), including all proceeds thereof (the "**Property**");

(ii) if necessary, pursuant to subsections 126(5) and 126(5.1) of the *Securities Act*, continuing the Freeze Direction (as described below) until further order of the Court; and

(iii) if necessary, appointing GTL as interim receiver over all of the Property.

B. BACKGROUND

2. I am a Senior Investigator in the Enforcement Branch of the Commission and I have been assigned to investigate this matter. As such, I have personal knowledge of the matters set out in this affidavit. Any matters not within my personal knowledge are based on information I have received from others who are identified herein and I believe that information to be true.

C. THE RESPONDENTS AND PRINCIPALS

3. Morteza (Ben) Katebian ("**Ben**") and his son Payam Katebian ("**Payam**") are the principals of MGMIC (the "**Principals**").

4. MGMIC was incorporated in the province of Ontario on May 5, 2014. It has a registered address of 122 Kirk Drive, Thornhill, Ontario. MGMIC is a mortgage investment corporation that lends money to borrowers with loans secured by residential and commercial mortgages. A copy of MGMIC's corporate profile search is attached hereto as **Exhibit "A"**.

5. Another related company, Money Gate Corporation ("**MGC**") operated as a mortgage administrator for MGMIC mortgages. MGC is licensed by Financial Services Commission of Ontario ("**FSCO**") as a mortgage brokerage and mortgage administrator. A copy of MGC's corporate profile search is attached hereto as **Exhibit "B"**. A copy of the Lender Servicing Agreement, dated August 16, 2014, between MGC and MGMIC is attached hereto and marked as **Exhibit "C"**.

6. Ben is a resident of Ontario. He is a director and officer of MGMIC, and he is the sole director of MGC. He was licensed by FSCO as the principal broker of MGC during the relevant period. Ben's registration expired March 31, 2018. Ben is not currently registered with FSCO.

7. Payam is Ben's son. Payam is a resident of Ontario and is a director and officer of MGMIC. Payam was licensed by FSCO as a mortgage agent with MGC during the relevant period. Payam's registration expired March 31, 2018. Payam is not currently registered with FSCO.

D. MGMIC'S CAPITAL RAISE

8. Between August 2014 and April 2017, MGMIC raised approximately $11 million from approximately 155 investors through the sale of its preferred shares.

9. MGMIC prepared five offering memoranda dated August 1, 2014, May 5, 2015, May 13 and May 30, 2016 and January 31, 2017 (the "**OMs**"), which were provided to investors in connection with the sale of its preferred shares.

10. The OMs describe MGMIC's business, list MGMIC's investment policies and provide that all of the investments made by MGMIC will comply with those policies. The OMs also provide details on the nature of the mortgages invested in by MGMIC, including the type, size and priority rankings of the mortgages. Attached hereto and marked as **Exhibit "D"** is a copy of the OM dated August 1, 2014. Except for the OM dated January 31, 2017, the OMs prepared by MGMIC are similar in content to the August 1, 2014 OM.

E. COMMISSION PROCEEDING

11. Staff began investigating MGMIC and the Principals after receiving an anonymous complaint in March 2015 that MGMIC was distributing preferred shares to the public without being registered.

12. MGMIC and MGC are not reporting issuers in Ontario and have never filed a prospectus in Ontario. MGMIC, MGC, Ben and Payam have also never been registered with the Commission in any capacity.

13. On April 27, 2017, Staff obtained a temporary cease trade order, which is attached hereto and marked as **Exhibit "E"**. The temporary cease trade order has been extended through a series of orders issued by the Commission until the conclusion of the proceeding commenced by Staff. It is still in effect and prevents MGMIC from raising any more capital.

14. On November 27, 2017, MGMIC sent an email advising investors that it was winding down its operations and suspending any dividends on the preferred shares, a copy of which is attached hereto and marked as **Exhibit "F"**.

15. On December 19, 2017, Staff issued a Statement of Allegations against MGMIC, MGC & the Principals, which is attached hereto and marked as **Exhibit "G"**. In that proceeding, Staff allege that MGMIC and the Principals defrauded and misled investors through misrepresentations contained in the OMs and other relevant documents. Staff also allege that they engaged in unregistered trading and carried out illegal distributions, contrary to sections 25 and 53 of the *Securities Act*.

16. Some of the evidence related to these allegations is detailed in my affidavit sworn April 4, 2017 in support of Staff's application for a temporary cease trade order, which is attached hereto without exhibits and marked as **Exhibit "H"**.

17. Staff brought a motion on October 31, 2018 before the Commission to amend the Statement of Allegations to make new allegations against MGMIC and the Principals, including with respect to the diversion of corporate funds described below which was recently discovered by Staff. Attached hereto and marked as **Exhibit "I"** is the Amended Statement of Allegations.

F. DIVERSION OF CORPORATE FUNDS

18. At the end of July 2018, Staff received information indicating that Ben and/or Payam may have caused the diversion of corporate funds from MGMIC to their own personal benefit. Between the end of August and October 2018, Staff obtained evidence confirming this diversion and revealing other diversions of corporate funds, which are described below.

19. These diversions involve transfers of funds to the account of 2399029 Ontario Inc. ("**239 Inc.**"). Attached hereto as **Exhibit "J"** is a copy of the corporate profile for 239 Inc. which

discloses that Ben is the sole director and officer of this company. Attached hereto and marked as **Exhibit "K"** and **Exhibit "L"** are copies of account documents confirming that Ben and Payam are authorized signatories for 239 Inc.'s bank account and the bank account statements for the 239 Inc. bank account.

1. The Mansteel Advance

20. MGMIC holds a first and second mortgage (the "**Temiskaming Mortgages**") in the total principal amount of approximately $3.9 million registered against the property municipally known as 1107 Lakeshore Road South in Temiskaming, Ontario (the "**Temiskaming Property**"). Mansteel New Liskeard Inc. ("**Mansteel**") is the registered owner of the Temiskaming Property. Attached hereto and collectively marked as **Exhibit "M"** are copies of the registered instruments for the Temiskaming Mortgages.

21. Staff has learned that two of MGMIC's investors, Kevin Estrabillo and Bart Dziarski ("**Dziarski**") commenced an oppression action against MGMIC, MGC and the Principals on the Commercial List bearing court file number CV-18-589395-00CL (the "**Investor Action**"). In connection with a motion brought in the Investor Action, Dziarski swore an affidavit on August 7, 2018, a copy of which is attached hereto as **Exhibit "N"** together with exhibits D to I.

22. At paragraphs 11 to 16 of that affidavit, Dziarski deposed that funds in the approximate amount of $435,000 (the "**Mansteel Diverted Funds**") ostensibly lent to Mansteel by MGMIC were actually transferred to 239 Inc. through a series of transactions. Dziarski also deposed in his affidavit that Ben was involved in arranging this advance and transfers.

23. Payam delivered a responding affidavit on the Investor Action, in which he deposed at paragraphs 30 and 89 that Mansteel is beneficially owned by Arash Missaghi ("**Missaghi**"), who faces criminal charges for mortgage fraud. Attached hereto and marked as **Exhibit "O"** is a copy of the affidavit of Payam sworn September 13, 2018, without exhibits. I have obtained an updated Canadian Police Information Centre search today which confirms that the charges against Missaghi remain pending.

24. Based on my review of Corporate Profiles in this investigation, Missaghi also appears to be involved with a number of properties on which MGMIC held or holds mortgages.

25. Payam deposed at paragraphs 93 to 97 of his affidavit sworn September 13, 2018 that 239 Inc. received the Mansteel Diverted Funds because it was to effectively act as an administrator on behalf of Mansteel and other companies with respect to monthly interest payments.

26. 239 Inc.'s banking records indicate that the Mansteel Diverted Funds were not used to make monthly interest payments to MGMIC. In fact, nearly half of the funds were transferred to a company under the control of Pantea Sahebdivani. Staff were advised by Ben and I believe that Pantea Sahebdivani is Ben's common law spouse.

27. The relevant transactions related to the use of the advance on the Temiskaming Mortgage are set out below:

(a) On January 24, 2017, 239 Inc. received a transfer of $435,196 from the trust account of Mansteel's solicitor. Prior to that transfer, the balance of 239 Inc.'s account was $23,200.

(b) On January 25 and January 30, 2017, 239 Inc. made five payments from the same account totaling $438,215.

(c) Two of those payments, totalling $208,874, were to 2450531 Ontario Limited. Pantea Sahebdivani was the sole director of that company, as indicated in the corporate profile attached hereto and marked as **Exhibit "P"**. I have reviewed banking documents showing that both Ben and Payam have signing authority with respect to this account.

(d) One of those payments was a transfer of $13,326 to Ben.

(e) The other two payments involved a payment of $100,000 to Canada Capital Corporation Inc., a company that appears to be related to Missaghi based on my review of its corporate profile, and $116,000 to C and K Mortgage Services (with the notation "High Point – Missaghi").

Attached hereto and marked as **Exhibit "Q"** are the banking documents related to the above transactions.

2. The Birchmount Advance

28. On October 30, 2017, through counsel, the Principals advised Staff of a "desire to see the MIC redeem all investors and be wound up." Attached hereto and marked as **Exhibit "R"** is the email correspondence from counsel.

29. Based on an Assignment Agreement dated November 2, 2017 but signed on November 6, 2017, MGMIC agreed to take an assignment (the "**WFC Assignment**") from World Finance Corporation ("**WFC**") of a 30.1% interest in a third mortgage (the "**Birchmount Mortgage**") registered in favour of WFC against the property located at 4 Birchmount Road in Toronto (the "**Birchmount Property**") if certain conditions were met. On November 27, 2017, the Principals advised investors that they would wind up the company. The transfer of charge for the Birchmount Mortgage was registered on December 1, 2017. Attached hereto and collectively marked as **Exhibit "S"** are copies of the assignment agreement between WFC and MGMIC, the Syndication Loan Agreement, a Trust Ledger Statement, a Promissory Note, an Authorization executed November 30, 2017, and a Direction with respect to the loan.

30. In connection with the WFC Assignment, Payam, on behalf of MGMIC executed an Authorization on November 30, 2017, pursuant to which MGMIC instructed its legal counsel, Frederick Yack, to complete the WFC Assignment notwithstanding the advice of Mr. Yack to the contrary. In particular, pursuant to the Authorization, MGMIC acknowledges that it is instructing Mr. Yack to complete the WFC Assignment notwithstanding, among others, the following issues:

(a) inability of MGMIC to obtain the first and second mortgage statements and as such to ascertain what is owing under those mortgages;

(b) no formal appraisal of the Birchmount Property was obtained and the requirement for the appraisal was waived by MGMIC;

(c) MGMIC did not obtain any legal advice on the Syndication Loan Agreement which governs the relationship and priorities between WFC and MGMIC;

(d) MGMIC relies on the clauses contained in the Mortgage Commitment in favour of MGMIC notwithstanding that these clauses are not included in the original mortgage and will not be included in the Assignment of Mortgage; and

(e) Title insurance is not available.

31. On December 1, 2017, MGMIC proceeded with the WFC Assignment and a transfer of charge for the Birchmount Mortgage regarding MGMIC's interest was registered. Attached hereto and marked as **Exhibit "T"** is a copy of the relevant transfer of charge.

32. Pursuant to the WFC Assignment, MGMIC was to advance to WFC $1.85 million. Staff obtained banking records in relation to the $1.6 million advanced by MGMIC (the "**Birchmount Advance**").

33. Between November 28, 2017 and December 6, 2017, MGMIC made three advances of $400,000 on the Birchmount Mortgage. Funds from each of these advances were then transferred to the following series of recipients, as indicated in Exhibit "U":

(a) to Frederick Yack ("**Yack**"), MGMIC's solicitor, in trust;

(b) to Caruso Law ("**Caruso**"), WFC's solicitor, in trust, in accordance with the direction of WFC;

(c) to Canadian Business Consultation Inc. ("**CBCI**");

(d) to 239 Inc.; and

(e) to Ben Katebian.

34. Attached hereto and marked as **Exhibit "U"** is a table prepared by Staff that summarizes 20 transfers that track the flow of the Birchmount Advance from the trust accounts of counsel for MGMIC and counsel for WFC to Ben, which I have reviewed and believe to be accurate. Attached hereto and marked as **Exhibit "V"** are the supporting documents for each of the transfers, including bank account statements. Each supporting document is identified as "T1" through "T20", which corresponds to the transfers identified in Exhibit "U".

35. As a result of these transactions, Ben received $1,115,000 in his personal bank account from funds originating from MGMIC's advance on the Birchmount Mortgage.

36. On April 13, 2018, a receiver was appointed by the second mortgagee over the Birchmount Property. The Birchmount Property was sold by the receiver with the approval of the Court. The purchase price for the Birchmount Property was less than the amount claimed to be owing under prior encumbrances. MGMIC has not recovered any of the $1.6 million owing under the Birchmount Mortgage. Attached hereto and marked as **Exhibit "W"** and **Exhibit "X"** respectively are copies of the receivership order and the approval and vesting order.

37. The distribution of the proceeds from the sale of the Birchmount Property is being disputed within the receivership proceeding of the Birchmount Property as is the validity of the first

mortgage. In connection with the distribution motion, Payam swore an affidavit on August 8, 2018 a copy of which is attached hereto and marked as **Exhibit "Y"**. In this affidavit, Payam states that WFC is controlled by Missaghi, his wife Laila Alizadeh ("**Alizadeh**"), Troy Wilson ("**Wilson**") and Wilson's sister, Terry Wilson (collectively, the "**Missaghi Group**"). He also states that he believes that the Missaghi Group controls Pillar Capital Corporation which holds the first mortgage against the Birchmount Property.

G. THE CURRENT STATE OF MGMIC

38. Ben and Payam continue to be the sole directors and officers of MGMIC and remain in control of the company.

39. As of November 2, 2018, based on information available to Staff, MGMIC held nine outstanding loans with total principal value of approximately $10.5 million and at least seven of these loans are in default. Attached hereto and marked as **Exhibit "Z"** is a schedule prepared by Staff of the status of outstanding mortgages held as at October 2018, which I have reviewed and believe to be accurate.

40. Based on the information available to Staff as of the date of this Affidavit, it appears that the realizable value of MGMIC's loan portfolio is significantly lower than the $10.5 million in principal owing under these loans and the $11 million raised by MGMIC from investors.

41. Of the nine loans, two were made to companies related to Payam. Attached hereto and marked as **Exhibit "AA"** are copies of the parcel registers for all of the properties subject to mortgages in favour of MGMIC.

42. As of August 21, 2018, MGMIC held approximately $1.16 million in its operating account. The balance as of October 24, 2018 was only $193,330. Attached hereto and marked as **Exhibit "BB"** is a copy of the account statements of MGMIC for that period.

43. On October 18, 2018, MGMIC made a payment of $760,405 to a law firm in trust with respect to the assignment of a first mortgage on a property located at 2045 Lakeshore Boulevard in Toronto, on which MGMIC already holds the second mortgage. Attached hereto and marked as **Exhibit "CC"** and **Exhibit "DD"** are copies of the bank draft and the assignment instrument registered on the property.

44. Since August 15, 2018, MGMIC made six payments (in amounts exceeding $10,000) from its operating account totaling $147,011 to various law firms, which have been engaged to defend MGMIC and the Principals in the Commission proceeding and the Investor Action or to prosecute enforcement actions on the outstanding mortgages. Attached hereto and marked as **Exhibit "EE"** is a list of these payments and copies of supporting bank documentation for payments to law firms.

H. THE COMMISSION FREEZE DIRECTION & CONTINUATION

45. Due to the conduct of MGMIC and the Principals as described above, including the diversion of corporate funds, Staff sought and were granted a Freeze Direction pursuant to section 126(1)(a) of the *Securities Act*, freezing the funds in MGMIC account # 5407640 held at the Toronto Dominion Bank at 220 Commerce Valley Drive (the "**Freeze Direction**"). The Freeze Direction issued by the Commission was issued on October 29, 2018. Attached hereto and marked as **Exhibit "FF"** is a copy of the Freeze Direction.

46. I was advised by Elia Pacitto, Assistant to Zohair Kassam at the Toronto Dominion Bank, that the balance in the account was $164,158.63 when the Freeze Direction was imposed.

47. Pursuant to subsection 126(5) of the Securities Act, within 10 days of the Freeze Direction, Staff are required to serve and file a Notice of Application in the Superior Court of Justice seeking a continuation of the Freeze Direction. Staff seek a continuation of the Freeze Direction before this Honourable Court as part of this application.

48. I swear this affidavit in support of an Application pursuant to ss. 126 and 129 of the *Securities Act* and for no other or improper purpose.

SWORN BEFORE ME	)	
	)	
at the City of Toronto,	)	
	)	Louisa Fiorini
this 2nd day of November, 2018	)	

A Commissioner for taking affidavits
Dilhim Emami

ONTARIO SECURITIES COMMISSION
Applicant

- AND -

MONEY GATE MORTGAGE INVESTMENT CORPORATION
Respondent

Court File No. CV-18-00608086-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

APPLICATION RECORD OF THE ONTARIO SECURITIES COMMISSION
(Sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended)

Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, ON M5H 3S8

Jamie Gibson (LSO6288580)
Tel: 416-263-3783

Dihim Emami (LSO 57402S)
Tel: 416-596-4253
Fax: 416-593-2319

Counsel for the Ontario Securities Commission

Court File No. CV-18-00608086-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N :

ONTARIO SECURITIES COMMISSION

Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

APPLICATION RECORD
VOLUME 2

(Sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended)

November 2, 2018

ONTARIO SECURITIES COMMISSION
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8

Jamie Gibson
Litigation Counsel
LSO No. 6288580

Tel: 416-263-3783
Fax: 416-204-8956

Dihim Emami
Senior Litigation Counsel
LSO No. 57402S

Tel: 416-596-4253
Fax: 416-593-2319

Counsel for the Ontario Securities Commission

TO: **MONEY GATE MORTGAGE INVESTMENT CORPORATION**
122 Kirk Drive
Thornhill, ON, L3T 3L4

- and -

25 Mallard Road
Toronto, ON, M3B 1S4

Court File No. CV-18-00608086-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N :

ONTARIO SECURITIES COMMISSION

Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

APPLICATION RECORD

(Sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended)

<u>Index</u>

Tab	Document
F.	MGMIC email to investors dated November 27, 2017 regarding winding down of operations and suspension of dividends
G.	Statement of Allegations dated December 19, 2017 against MGMIC, MGC, Morteza Katebian ("Ben") and Payam Katebian ("Payam")
H.	Affidavit of Louisa Fiorini sworn April 4, 2017 in support of Staff's application for a Temporary Cease Trade Order
I.	Amended Statement of Allegations dated October 31, 2018 against MGMIC, MGC, Ben and Payam
J.	Corporate Profile Report for 2399029 Ontario Inc. ("239 Inc.")
K.	Account documents confirming Ben and Payam are authorized signatories for 239 Inc.'s bank account
L.	Bank account statements for 239 Inc.
M.	Registered instruments in relation to the property municipally known as 1107 Lakeshore Road South in Temiskaming, Ontario (the "Temiskaming Property")
N.	Affidavit of Bart Dziarski sworn August 7, 2018, together with exhibits D to I to that affidavit
O.	Affidavit of Payam sworn September 13, 2018, without exhibits
P.	Corporate Profile Report for 2450531 Ontario Limited
Q.	Banking documents related to the flow of funds from the advance of $435,196 on the loan secured by a mortgage on the Temiskaming Property
R.	Email to Staff of the Commission dated October 30, 2017, advising of MGMIC's "desire to see the MIC redeem all investors and be wound up."
S.	Assignment Agreement dated November 2, 2017 between World Finance Corporation ("WFC") and MGMIC, a Syndication Loan Agreement, a Trust Ledger Statement, a Promissory Note, an Authorization executed November 30, 2017, and a Direction with respect to the loan
T.	Transfer of Charge dated December 1, 2017, regarding MGMIC's interest in a mortgage in respect of a property located at 4 Birchmount Road in Toronto ("Birchmount Property")

Tab	Document
U.	Table prepared by Staff of the Commission that summarizes 20 transfers that track the flow of funds for an advance made in relation MGMIC's interest in a mortgage on the Birchmount Property
V.	Supporting documents for each of 20 transfers, including bank account statements
W.	Receivership Order dated April 13, 2018 over the Birchmount Property
X.	Approval of the Sale of the Birchmount Property by the Court and vesting order
Y.	Affidavit of Payam sworn August 8, 2018
Z.	Schedule prepared by Staff of the Commission of the status of outstanding mortgages held by MGMIC as at October 2018
AA.	Parcel registers for all of the properties subject to mortgages in favour of MGMIC as at October 2018
BB.	Bank Account Statements for August, September and October for MGMIC operating account
CC.	Bank Draft regarding a payment of $760,405 on October 18, 2018 made by MGMIC to a law firm in trust with respect to the assignment of a first mortgage on a property located at 2045 Lakeshore Boulevard in Toronto
DD.	Assignment instrument registered on the property located at 2045 Lakeshore Boulevard in Toronto
EE.	List of payments to law firms out of MGMIC's operating account from August 2018 to October 2018 and copies of supporting bank documentation for payments to law firms
FF.	Freeze Direction issued by the Commission on October 29, 2018.

This is Exhibit "A" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

Request ID	020932091	Province of Ontario		Date Report Produced	2017/11/14
Transaction ID	66221484	Ministry of Government Services		Time Report Produced	08 09 01
Category ID	(C)CC/E			Page	1

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	**Corporation Name**		**Incorporation Date**
2417420	MONEY GATE MORTGAGE INVESTMENT CORPORATION		2014/05/05
			Jurisdiction
			ONTARIO
Corporation Type	**Corporation Status**		**Former Jurisdiction**
ONTARIO BUSINESS CORP	ACTIVE		NOT APPLICABLE

Registered Office Address

122 KIRK DRIVE

THORNHILL
ONTARIO
CANADA L3T 3L4

Mailing Address

122 KIRK DRIVE

THORNHILL
ONTARIO
CANADA L3T 3L4

Date Amalgamated	**Amalgamation Ind.**
NOT APPLICABLE	NOT APPLICABLE
New Amal. Number	**Notice Date**
NOT APPLICABLE	NOT APPLICABLE
	Letter Date
	NOT APPLICABLE
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

Number of Directors Minimum	**Maximum**	**Date Commenced in Ontario**	**Date Ceased in Ontario**
00001	00010	NOT APPLICABLE	NOT APPLICABLE

Activity Classification

NOT AVAILABLE

Request ID	020932091	Province of Ontario		Date Report Produced	2017/11/14
Transaction ID	66221484	Ministry of Government Services		Time Report Produced	08 09 01
Category ID	(C)CC/E			Page	2

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2417420	MONEY GATE MORTGAGE INVESTMENT CORPORATION

Corporate Name History	Effective Date
MONEY GATE MORTGAGE INVESTMENT CORPORATION	2014/05/05

Current Business Name(s) Exist: NO

Expired Business Name(s) Exist: NO

Administrator:

Name (Individual / Corporation)	Address
PAYAM KATEBIAN	1 EMERALD LANE Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2

Date Began	First Director	
2014/05/05	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
DIRECTOR		Y

Request ID 020932091
Transaction ID 66221484
Category ID (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced. 2017/11/14
Time Report Produced 08:09 01
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Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2417420	MONEY GATE MORTGAGE INVESTMENT CORPORATION

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

PAYAM

KATEBIAN

1 EMERALD LANE

Suite # 409
THORNHILL
ONTARIO
CANADA L4J 8N2

Date Began	First Director	
2014/05/05	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	SECRETARY	Y

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

MORTEZA

KATEBIAN

122 KIRK DR

MARKHAM
ONTARIO
CANADA L3T 3L4

Date Began	First Director	
2014/05/05	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
DIRECTOR		Y

Request ID. 020932091
Transaction ID 66221484
Category ID (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/11/14
Time Report Produced: 08 09 01
Page 4

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2417420	MONEY GATE MORTGAGE INVESTMENT CORPORATION

Administrator:

Name (Individual / Corporation)	Address
MORTEZA KATEBIAN	122 KIRK DR MARKHAM ONTARIO CANADA L3T 3L4

Date Began	First Director	
2014/05/05	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	PRESIDENT	Y

Administrator:

Name (Individual / Corporation)	Address
PAYAM KATEBIAN	1 EMERALD LANE Suite # 409 THORNHILL ONTARIO CANADA L4J 8N2

Date Began	First Director	
2016/05/04	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	TREASURER	Y

Request ID	020932091	Province of Ontario		Date Report Produced	2017/11/14
Transaction ID	66221484	Ministry of Government Services		Time Report Produced	08 09 01
Category ID	(C)CC/E			Page.	5

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2417420	MONEY GATE MORTGAGE INVESTMENT CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2016/09/08 (ELECTRONIC FILING)

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.

This is Exhibit "B" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

Government of Canada Gouvernement du Canada

Federal Corporation Information - 682593-1

Note
This information is available to the public in accordance with legislation (see Public disclosure of corporate information).

Corporation Number	682593-1
Business Number (BN)	849265814RC0001
Corporate Name	MONEY GATE CORP.
Status	Active
Governing Legislation	*Canada Business Corporations Act* - 2007-08-20

Registered Office Address

25 Mallard Rd
Toronto ON M3B 1S4
Canada

Note
Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1 **Maximum** 15

Morteza Ben Katebian
122 kirk ave
thornhill ON L3T 3L4
Canada

Note
Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)	08-20
Date of Last Annual Meeting	2016-08-31
Annual Filing Period (MM-DD)	08-20 to 10-19
Type of Corporation	Non-distributing corporation with 50 or fewer shareholders
Status of Annual Filings	2017 - Not due 2016 - Filed 2015 - Filed

Corporate History

Corporate Name History

2007-08-20 to Present	MONEY GATE CORP.

Certificates and Filings

Certificate of Incorporation	2007-08-20

Date Modified:
2017-03-08

This is Exhibit "C" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

Money Gate Corp.

25 Mallard Road, Toronto, Ontario, M3B 1S4
T. 416-548-5959, F. 416-913-0087

LENDER SERVICING AGREEMENT

Mortgage Administration

Lender/Setlor/Trustor: Money Gate Mortgage Investment Corporation
122 Kirk Drive, Thornhill, Ontario, L3T 3L4

Definitions:

"COMPANY" is defined as: Money Gate Corp.
located at: 25 Mallard Road, Toronto, Ontario, M3B 1S4

"LENDER" is defined as the undersigned and owner of the NOTEs administered under this Agreeement from time to time.

"NOTE" is the Promissory Note, Mortgage or Loan Agreement.

"CHARGE" is the security instrument for the "NOTE".

This loan servicing agreement is made between COMPANY, a licensed Ontario Mortgage Administrator corporation, and the undersigned LENDER. Lender hereby appoints COMPANY as attorney in fact in lenders place and stead. LENDER hereby authorizes and instructs COMPANY and COMPANY agrees to service the NOTE and CHARGE, and in that connection, to do the following:

1. To receive any and all payments due to LENDER on the NOTE, which includes but is not limited to all monthly payments, all late payments, all payoffs in full or in part. In the event of LENDER's loan being paid off in full through a law firm, bank, trust company, title insurer or other (the "PAYOR"), LENDER agrees to abide by the escrow instructions provided and signed by COMPANY on behalf of LENDER, including but not limited to calculations of amounts due and designation of the payee on PAYOR's cheque or form of payment. LENDER hereby instructs any PAYOR to accept the instructions of COMPANY or its agent;

2. To demand payments pursuant to the terms and conditions of the NOTE and CHARGE, and LENDER agrees and understands that, in the event of default, foreclosure, bankruptcy and other legal proceedings, payments may not be received pursuant to the actual terms of the NOTE;

3. To endorse to COMPANY's Trust Account any cheques, bank drafts or money orders payable to LENDER and to immediately deposit same in COMPANY's Trust Account which is to be maintained in accordance with such laws and rules applicable thereto and as to which COMPANY will not commingle its own assets;

4. To transmit LENDER's portion of such payments of principal and interest to LENDER within 10 business days after receipt at the address shown herein, or to deposit directly into the LENDER's bank account shown herein, and to not use such payment for any other transaction other than the transaction for which the funds are received; except as provided in 21a-c;

5. If the source of payment is not the maker of the NOTE, to so inform the LENDER;

6. To cause COMPANY's Trust Account utilized for this transaction to be inspected as required by such laws, rules and regulations as are applicable thereto;

7. To take any other action which COMPANY deems necessary or convenient to the collection and servicing of the NOTE including but not limited to instituting demand, collection, power of sale and foreclosure proceedings in the

event of default or making such payments for the LENDER's account or the taking such other action as COMPANY deems necessary or desirable to protect the security under the CHARGE or the priority thereof. COMPANY is authorized and directed to commence foreclosure or power of sale proceedings (sale under CHARGE), complete or continue foreclosure or power of sale, or to establish a reinstatement account for the borrower. LENDER also agrees and authorizes COMPANY to employ any outside services such as, but not limited to, appraisers, lawyers, realtors and foreclosure companies (including an in-house foreclosure service) to further evaluate and protect LENDER's interest in said NOTE and CHARGE, all subject to reimbursement upon demand or prior collection of funds to pay for said outside services;

8. To execute and deliver on LENDER's behalf and in LENDER's name any documents necessary or convenient for the exercise of any rights or duties which LENDER may have under the CHARGE, including but not limited to Payoff Demands, Payout Statements, Declarations, Notices of Defaults, Notices of Sale, listing authorizations and other instructions to the Lawyer or other of the CHARGE; except that LENDER reserves the right to personally sign all requests for reconveyances. This right may be waived by LENDER in writing and given to COMPANY;

9. To receive Notices of Default of prior encumbrances and to promptly notify LENDER of any default upon NOTE and any prior encumbrances;

10. To grant such extensions as COMPANY deems reasonably appropriate;

11. Execution of any and all documents in connection with claims, demands and releases pertaining to insurance benefits and proceeds therefrom due to borrower and/or LENDER and settlement and compromise in connection therewith;

12. To hold the original NOTE and CHARGE for LENDER;

13. LENDER may terminate COMPANY's authority hereunder at any time upon 14 days written notice and upon repayment of any outstanding payments made by COMPANY on LENDER's behalf and accrued expenses and fees incurred by the COMPANY in connection with servicing the NOTE;

14. In the event of any claims and/or actions on behalf of or against LENDER, such as but not limited to, claims on the title insurance carrier, or any other insurance benefits, COMPANY is authorized to represent LENDER and to take all steps reasonably necessary in negotiating, compromising, settling, suing or defending in LENDER's name. The LENDER agrees to execute any documents reasonably required to accompany subsequent authority to so act at any time by written notice;

15. LENDER further understands and agrees that the security for any NOTE and CHARGE is directly related to the equity in the security real estate as shown in the Lender Disclosure Statement and THAT NO WARRANTIES ARE IMPLIED OR EXPRESSED. LENDER understands that the value or salability of real estate can change at any time and therefore, that equity in the security real estate can increase or decrease. LENDER hereby releases COMPANY from any liability whatsoever in connection with the determination of the value of the security real estate;

The following provisions (16) - (20) apply only to loans in which LENDER holds an undivided fractional interest:

16. LENDER acknowledges that it holds or will hold an undivided interest in the NOTE and CHARGE as a tenant in common with another or other lenders all of whom are executing counterparts (except to vesting and payment instructions) of this loan servicing agreement. When so executed, all such counterparts shall constitute an agreement between all holders of interest in the NOTE and CHARGE as well as between LENDER and COMPANY;

17. A default upon any interest in the NOTE shall constitute a default upon all interests. A majority in interest of lenders may determine and direct the actions to be taken on behalf of all lenders in the event of default or with respect to other matters requiring the direction or approval of lenders, and such majority may designate the COMPANY to so act in their behalf.

18. COMPANY shall furnish to LENDER a list of names and addresses of all lenders holding an interest in the NOTE upon five (5) days written notice.

19. A majority in interest of lenders may terminate COMPANY's authority hereunder at any time upon 14 days written notice and upon repayment of any outstanding payments made by COMPANY on LENDER's behalf and accrued expenses and fees incurred by the COMPANY in connection with servicing the NOTE.

20. If any lender fails to act at the direction of the majority of lenders or fails to advance funds to protect the security of the NOTE or the equity interest in real property, the following provisions apply to the minority lender who fails to act or fails to advance funds:

    a. Will be liable to the remaining lenders for all damages incurred as result of the minority lender's failure to act or failure to advance funds.

    b. Will be liable for actual legal fees and disbursements incurred as result of said failure to act or failure to advance funds.

    If any lender acting individually or jointly with another lender or other lenders (herein called "ADVANCING LENDER"), when acting to complete a decision of the majority of lenders, advances the funds on behalf of any lender who fails to advance funds to protect the security of the NOTE or the equity interest in real property (herein called a "DEFAULTING LENDER"), the DEFAULTING LENDER:

    a. Will pay interest to the ADVANCING LENDER on said advance at the rate of 5% over the applicable prime rate offered then by the COMPANY's bank per annum calculated monthly.

    b. Will fully subordinate to the interest of the ADVANCING LENDER. This subordination will allow the ADVANCING LENDER to be paid upon the payoff of the NOTE or at the sale of the real property, all advances made (even advances of the DEFAULTING LENDER and ADVANCING LENDER), all original principal invested, all interest, and all costs, expenses and fees incurred to date of said payoff of the NOTE or at the sale of the real property.

    All lenders acknowledge that this provision could cause serious financial loss of the investment of the DEFAULTING LENDER.

21. COMPANY shall deposit all receipts collected for, or from, LENDER, less any sums properly deducted or disbursed, in a bank, savings bank or other financial institution whose deposits are insured by an agency of the Canadian government. The funds shall be deposited in COMPANY's Trust Account (the "Trust Account") which is to be determined by COMPANY. The Trust Account may be changed from time to time by COMPANY. The Trust Account shall be separate from COMPANY's personal accounts. Neither the deposited funds nor any other funds to which LENDER may be entitled shall bear interest while in the possession or control of COMPANY. COMPANY shall not be liable for loss in the event of bankruptcy or failure of a financial institution.

22.

    a. LENDER, within 10 calendar days from request by COMPANY, shall advance funds to COMPANY, so that COMPANY, from said funds, may pay, including, but not limited to, real property taxes and/or assessments, premiums on insurance, payment of senior/prior liens/charges and/or encumbrances, power of sale or foreclosure fees and costs, legal fees and costs, necessary repairs, the costs of all mandates by any governmental entity, accounting, fees and costs under this Agreement and legal fees and expenses reasonably necessary under this Agreement. Any costs or fees earned or incurred by COMPANY, its affiliates and/or subsidiaries pursuant to the terms of this Agreement, shall be recoverable under this Agreement and shall be subject to all of the COMPANY's remedies herein, even though COMPANY has not actually paid the fees and/or costs.

    b. Any sums advanced by the COMPANY from its funds to or on behalf of LENDER to protect or enforce the LENDER's interest or rights under the CHARGE, will be repaid by LENDER upon COMPANY's demand together with interest from the date of the advance on said payment at the rate of 5% over the applicable prime rate offered then by the COMPANY's bank per annum calculated monthly. COMPANY is hereby authorized to reimburse itself for such amounts from any funds it holds for the benefit of LENDER. COMPANY is neither obligated to make any such payment, nor to continue making such payments, even though it may, from time to time, elect to make one or more such payments on behalf of LENDER. COMPANY shall charge a 3% fee or $50.00, whichever is higher, for coordinating the advance.

c. For the purpose of securing any sums owed to COMPANY for any advances, unpaid accumulated interest on advances, or for unpaid compensation, LENDER hereby grants COMPANY a first priority security interest in and a lien/charge against: (1) any funds held by COMPANY in the Trust Account on behalf of LENDER (whether acquired with respect to the NOTE, CHARGE or with respect to other properties and/or investments), (2) LENDER's share of any disbursements due to LENDER, and (3) LENDER's undivided interest in the CHARGE or acquired property.

23.

a. The COMPANY shall be entitled to proceed under the provisions of the *Personal Property Security Act R.S.O. 1990* to enforce its security interest and lien/charge against LENDER's personal property without first proceeding against any real property security held by COMPANY. The parties hereto agree that the Trust Account is a intangible or tangible account as may be defined under *Personal Property Security Act.* The parties agree that the security interest created hereby attaches immediately upon the deposit of any funds in the Trust Account.

b. LENDER grants COMPANY a power of sale, and incorporates the provisions of the *Mortgages Act R.S.O. 1990*, as if fully restated herein, to permit COMPANY to nonjudicially foreclose on its real property lien/charge, should it desire to do so, in the same fashion and on the same terms as the CHARGE could be nonjudicially foreclosed. For the purpose of such nonjudicial foreclosure, the COMPANY shall be deemed to be the trustee or agent, unless and until a substituted trustee or agent is named. The COMPANY's lien against funds held for disbursement to LENDER may be exercised by offset (i.e., by disbursing the funds directly to COMPANY). The remedies herein are cumulative with any other remedies provided under this Agreement and/or by law or equity.

c. LENDER authorizes COMPANY to place a demand for its costs and fees with any escrow relating to the lien/charge or acquired property and to have said demand paid directly by the escrow holder at the close of escrow. This agreement is the LENDER's irrevocable escrow instruction and authorization for any such escrow holder to directly pay any such demand submitted to escrow by COMPANY.

24. ARBITRATION OF DISPUTES: All controversies and/or claims between the parties hereto, including COMPANY, arising out of or relating to this Agreement, including but not limited to the arranging thereof, documents relating thereto, and the servicing and enforcement thereof of all NOTEs and CHARGEs, shall be determined by arbitration in accordance with the *Arbitration Act S.O. 1991*. Judgment on the arbitrator's award may be entered in any court having jurisdiction. Without waiving a party's right to arbitration, any party may apply to any court of competent jurisdiction for the following: (a) to enforce the assignment of rents provision contained in any CHARGE or instrument securing the NOTE, including the appointment of a receiver; (b) to secure possession of the real property subject to the CHARGE by an action for possession. Any proceeding for judicial foreclosure shall not be subject to arbitration. The exercise of the power of sale contained in the CHARGE securing the NOTEs, or the exercise of any private default remedies under the *Personal Property Security Act* shall not constitute a waiver of this agreement to arbitrate nor shall they be deemed inconsistent with arbitration.

NOTICE: BY INITIALING IN THE SPACE BELOW, YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY ONTARIO LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE ARBITRATION ACT. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTOOD THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' TO ARBITRATION.

INITIAL-->> LENDER: M. K COMPANY: P. K

25. The term of this Agreement shall be for the same period of time as the life of the NOTEs purchased or funded by LENDER or at least 10 years.

26. This Agreement will constitute the entire Agreement between the parties hereto regarding the subject matter herein. Any prior Agreement, promises or representations concerning the subject matter not expressly set forth in this Agreement are of no force or effect. Signature of this Agreement below shall represent an understanding of all provisions as set forth in the Agreement and shall include all of the provisions hereof.

27. This Agreement shall bind and enure to the benefit of all the heirs, executors, administrators, successors and assigns of the parties.

28. COMPANY is guaranteed a minimum of $200 or up to 2% of principal amount per loan.

29. Bankruptcy Proceedings by Trustee(s) or other affecting parties: In addition to coordinating the legal aspect of the bankruptcy proceedings, COMPANY's special bankruptcy unit administers your NOTE throughout the bankruptcy proceedings. COMPANY coordinates with legal counsel, arranges to have court appearances made when necessary, arranges for appraisals of the property, if necessary, and coordinates all other legal services provided to you by outside counsel.

30. COMPANY administration charges for these extra services caused by borrower's bankruptcy filing (usually repayable by the borrower) will be assessed on completion of the bankruptcy processing. The administrative charge will be $100.00 for the first three months of the proceedings and an additional $75.00 per month thereafter. In the event the bankruptcy proceedings should exceed one year, the cost of administration thereafter will be $275.00 per year or any part thereof. In addition, if an appearance in court is required by COMPANY's personnel, an additional cost of $325.00 will be assessed for the appearance; any appraisal required by the court will be assessed at a cost of up to $475.00 each (residential only).

31. The undersigned LENDER understands that a portion of said servicing fee(s) may be paid to outside parties who may, or may not, provide referral, finder or other services. Such persons may include, but are not limited to, individuals or corporations licensed by the Real Estate Council of Ontario, the Financial Services Commission of Ontario or by other governmental or regulatory entities.

LENDER SIGNATURE	Name & Title	DATE
[signature]	Morteza Katebian - CEO	August 16 2014

COMPANY SIGNATURE	Name & Title	DATE
[signature]	Payam Katebian - Operations Manager	Aug. 16 2014

Notice to LENDER
Mailing Address: Money Gate Mortgage Investment Corporation
Attention: Morteza Katebian
122 Kirk Drive, Thornhill, Ontario, L3T 3L4

Phone: 416-548-5959

LENDER payments

Cheque Payable to: Money Gate Mortgage Investment Corporation
Address: 122 Kirk Drive, Thornhill, Ontario, L3T 3L4

Direct Deposit Instructions (Account must be in LENDER name and Address as stipulated above)

Bank Name:
Bank Address:
Transit Number:
Bank Account Number:

This is Exhibit "D" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

MONEY GATE
MORTGAGE INVESTMENT CORP.

PRIVATE OFFERING MEMORANDUM
FOR ONTARIO RESIDENTS

This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of the securities referred to herein. ***No securities commission or similar regulatory authority in Canada or in any other jurisdiction has passed on the merits of the securities offered hereunder and any representation to the contrary is an offence.*** *This Offering Memorandum constitutes an offering of these securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

Private Placement: August1, 2014

MONEY GATE MORTGAGE INVESTMENT CORPORATION:**$20,000,000.00**

MONEY GATE MORTGAGE INVESTMENT CORPORATION ("Money Gate" or the "Corporation") hereby offers (the "Offering") up to 20,000,000 Class A Preferred Shares (the "Shares") in the capital of the Corporation at $1.00 per Share subject to a minimum subscription of $50,000 to $150,000 depending on which Prospectus Exemption is relied upon. The Corporation has the right to waive the minimum subscription requirement.

Shares will be offered by the Corporation to subscribers resident in the Province of Ontario pursuant to exemptions from registration and prospectus requirements of applicable securities laws in accordance with the conditions specified in this Offering Memorandum.

Subscription Price: $1.00 per Share

	Price	Agent's Commission (1)	Net Proceeds to the Corporation (2)
Per Share	$1.00	$0.02	$0.98
Maximum Offering	$20,000,000	$400,000	$19,600,000

Notes
(1) The Agents' Commission, where applicable, is two per cent (2%) of the gross proceeds of the Offering, payable by the Corporation to qualified agents on closing. The amount assumes the entire Offering is sold to purchasers introduced by Agents.
(2) Before deducting expenses of the Offering estimated at $10,000.

This Offering Memorandum is submitted on a confidential basis to prospective investors for informational use solely in connection with their consideration of the purchase of Shares. Use for any other purposes is not authorized. No person has been authorized to give any information or to make any representations regarding the Corporation or the Offering other than as contained in this Offering Memorandum and, if given or made, such information or representations must not be relied upon as having been authorized by the Corporation. This Offering Memorandum may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is submitted. Any decision to purchase Shares pursuant to the Offering must be based solely upon the information contained herein.

An investment in Shares may be considered speculative due to the stage and nature of the Corporation's business. The Corporation is subject to competition from other corporations which may have greater financial and technical resources competing in the same markets. The operations of the

Corporation are dependent upon certain business risks, monitoring key employees, ability to obtain financing necessary to develop, acquire and further develop business and to attain profitable operations. See "Risk Factors".

There is no market through which Shares may be sold and no such market is expected to develop as a consequence of this Offering.

The Shares being distributed pursuant to this Offering Memorandum are subject to restrictions on resale until such time as: (i) appropriate hold periods under applicable securities laws have been satisfied; (ii) the trade is made in reliance on an available statutory exemption; or (iii) an appropriate discretionary order is obtained pursuant to applicable securities laws. Since the Corporation is not a Reporting Issuer pursuant to Canadian applicable securities laws, the applicable hold period may never expire, and if no further statutory exemption may be relied upon or if no discretionary order is obtained, this could result in a purchaser having to hold Shares for an indefinite period of time. The Corporation does not currently intend to file a prospectus or otherwise become a Reporting Issuer pursuant to applicable Canadian securities laws and accordingly it is not intended that the Shares will become freely tradable in the Province of Ontario in the immediate future. See "Restrictions on Resale".

Purchasers of Shares pursuant to the Offering are granted certain rights of withdrawal and recession described herein under the heading "Purchaser's Rights of Withdrawal and Rescission".

This is the initial Private Offering of MONEY GATE MORTGAGE INVESTMENT CORPORATION. There may be as many additional closings as the Corporation determines.

EACH PURCHASER OF SHARES IS ADVISED TO CONSULT WITH THEIR OWN LEGAL ADVISOR AS TO THE COMPLETE DETAILS OF THE EXEMPTIONS FROM THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS BEING RELIED UPON AND THE CONSEQUENCES OF PURCHASING SHARES PURSUANT TO SUCH EXEMPTIONS.

MONEY GATE MORTGAGE INVESTMENT CORP.

Contents

SUMMARY OF THE OFFERING

The following is intended to provide a summary only of the principal features of this Offering Memorandum and should be read in conjunction with the more detailed information appearing elsewhere herein. In this Offering Memorandum all references are to Canadian dollars.

The Corporation: MONEY GATE MORTGAGE INVESTMENT CORPORATION was incorporated on May 5, 2014pursuant to the Ontario Business Corporations Act.

The Offering: Class A Preferred Shares, see "Description of Securities".

Conditions: The completion of the issuance of the Shares pursuant to this Offering is conditional upon:

(a) The Corporation receiving and accepting, on or before the Closing, subscriptions for at least 2,000,000 Class A Preferred Shares; and
(b) The Corporation receiving and accepting, on or before the Closing, subscriptions from at least 20 subscribers.

Price: $1.00 per Share.

Minimum Subscription: 50,000 Shares ($50,000). The Corporation has the right to waive the minimum subscription.

Use of Proceeds: The net proceeds from the sale of the Shares are estimated to be $19,600,000 on a maximum basis after deducting the Agent's commission and before deducting the estimated expenses of the Offering. The net proceeds will be used to invest in eligible investments as described in this Offering Memorandum.

Subscription Procedure: An investor wishing to subscribe for Shares will be required to deliver a duly completed and executed subscription agreement in the form attached hereto as **Exhibit 1**. Subscriptions for Shares will be received subject to rejection or acceptance in whole or in part by the Corporation in its absolute discretion, and the right is reserved to close the subscription books at any time without notice.

Risk Factors: An investment in the securities described herein is subject to significant risks, including the following:

(a) Shares purchased pursuant to the Offering will be subject to restrictions on resale and may only be resold if: (i) the appropriate "hold periods" under applicable securities laws have been satisfied; (ii) the trade is made in reliance on an available statutory exemption; or (iii) an appropriate discretionary order is obtained pursuant to applicable securities laws;

(b) The nature of the Corporation's business and its present stage of development; and

(c) The Corporation being subject to competition from other corporations which may have greater financial and technical resources.

Jurisdiction:	Province of Ontario.
Eligibility:	"Accredited Investors" as defined in Ontario Securities Commission Rule 45-106 entitled "Exempt Distribution". "Minimum amount investment" as defined in Ontario Securities Commission Rule 45-106 entitled "Exempt Distribution".
Agent's Commission:	2% of proceeds to be raised through subscriptions placed by a recognized Agent.

ACTIVITIES OF THE CORPORATION

The investment strategy of the Corporation is to invest in a portfolio of residential and commercial mortgages from borrowers in market segments which are underserviced by large financial institutions. The Corporation is building a portfolio of residential and commercial mortgages as follows:

1. **Residential Mortgages** - at least 50% of the Corporation's assets, at cost, consists of mortgages on new, existing, proposed or in construction, residential properties in Canada, including but not limited to, single family dwellings, duplexes, townhouses, condominium units and apartment buildings, land, income producing property, or cash on hand or deposit pending investment in mortgages.

2. **Commercial Mortgages** - up to 35% of the Corporation's assets may consist of conventional mortgages on existing, proposed or in construction, retail, commercial or industrial properties in Canada.

3. **Other Investments** - investments may also be made from time to time in money market instruments, pending investment in mortgages.

4. **Real Property** - up to 25% of the Corporation's assets may be invested directly in real estate properties held for income purposes.

The Corporation may acquire real estate properties by foreclosure or otherwise after default occurs on a mortgage.

It is anticipated that a substantial portion of the Corporation's mortgage investments will be located in Ontario. The Corporation may also invest in other provinces as opportunities arise.

The Corporation may be a party to syndicated mortgage investments with one or more lenders. The syndicated mortgages will be funded with a specified interest rate and a portion may be syndicated to other lenders at a lower interest rate. Syndication may be on a pari passu or subordinated basis. Where the mortgage is syndicated on a subordinated basis, the rights of the other lenders to receive interest and repayment of principal may rank in priority to the rights of the Corporation. The spread between the interest rate payable by the borrower and the interest rate paid to the other lenders may be payable to the Corporation and enhance its overall yield. The syndicated mortgages may be registered in the name of the Corporation or a nominee representing all of the lenders.

The Corporation is allowed to borrow funds under the provisions of the Canadian*Income Tax Act*.

All investments will comply with the investment policies of the Corporation, as herein set out. The Corporation conducts its affairs so as to qualify at all times as a Mortgage Investment Corporation (or "MIC") under the *Income Tax Act* (Canada) (the "Income Tax Act"). (See "Risk Factors"). The Corporation will distribute, on a monthly basis, all of its net income and any net realized capital gains, as determined under the Income Tax Act, as dividends during each year or within 90 days of its year end (See "Dividend Policy"). As a Mortgage Investment Corporation under the Income Tax Act, the Corporation is allowed to deduct such dividends from income and as a result does not pay any income tax (See "Canadian Federal Income Tax Considerations"). The Corporation may also employ leverage as permitted by the Income Tax Act.

THE CORPORATION

MONEY GATE MORTGAGE INVESTMENT CORPORATION was incorporated as a private Corporation under the Ontario *Business Corporations Act* by Articles of Incorporation on May 5, 2014. The head and registered office of the Corporation is located at122 Kirk Drive, Thornhill, Ontario, L3T 3L4. The Corporation may register extra provincially in other Canadian jurisdictions in order to conduct its business in provinces other than Ontario as may be approved by the Corporation's directors.

Business of the Corporation

The Corporation intends to qualify at all times as a MIC under the Income Tax Act. The Corporation operates as a tax free "flow through" conduit of profit to its shareholders. (See "Canadian Federal Income Tax Considerations".)

The MIC criteria under the Income Tax Act permit revenue sources other than residential mortgages secured against Canadian residential real estate, including equity investments in real estate, investments in stocks and securities of Canadian companies and mortgage lending in respect of Canadian commercial real estate.

Notwithstanding its ability to invest in a variety of investments allowed under the Income Tax Act, the Corporation invests its non-CDIC (short term bank deposits) holdings in mortgages secured by Canadian real estate consisting of residential and commercial properties. A specified portion of the funds may be invested in commercial rental real estate.

The only permitted undertaking of a Mortgage Investment Corporation under the Income Tax Act criteria is the investing of its funds and it is specifically prohibited from managing or developing real property.

The Corporation's business objective is to obtain a secure stream of income by optimizing its investment portfolio within the MIC criteria mandated by the Income Tax Act. The Corporation's primary business is earning income through investing in residential and commercial loans to borrowers on real property situated in Canada.

There is an established need for real estate mortgage financing that is not readily provided by banks, trust companies, credit unions and other traditional lenders. Short term mortgage financing is a continuing need of individuals, builders and real estate developers. As a result of their needs for flexibility and prompt approvals, they often require the services of private lenders and organizations such as the Corporation.

The rate of return the Corporation earns from its mortgage investments fluctuates with prevailing market demand for short term mortgage financing. In some cases, the Corporation's mortgage investments may not meet the financing criteria for conventional mortgages from institutional sources, and as a result, these investments generally earn a higher rate of return than that is normally attainable from conventional mortgage investments. The Corporation attempts to minimize risk by being prudent in both its credit decisions and in assessing the value of the underlying real property offered as security.

In order to facilitate the MIC's investments in the mortgage lending industry Money Gate has entered into a Management Services Agreement with Money Gate Corp. (the "Manager"). See "Management Services Agreement".

The Manager is a Corporation incorporated federally under the laws of Canada and registered extra-provincially in the Province of Ontario. The Manager is licensed as a Mortgage Administrator through The Financial Services Commission of Ontario with License number 12290.

The Manager's key personnel are knowledgeable business leaders with extensive international and Canadian experience. Collectively, they have more than forty years of business experience and their qualifications and experience put the Manager in an advantageous position to provide the MIC with related management, administrative, advisory, mortgage lending and financing services to the Corporation. More specifically, the Manager's personnel have extensive experience in property management, mortgage lending, venture capital and international business development and have established relationships with experienced owners, builders, developers, brokers, sales representatives and agents active in the real estate industry. The Corporation believes the Manager is therefore suitably qualified to locate and recommend investment opportunities for the Corporation.

The near prime market segments of the Canadian lending industry in which the Manager operates is underserviced by the large financial institutions in Canada. The near prime market segments differ from prime market segments because of lower borrower equity, lower borrower credit scores, lower presales/pre-leasing and size of the loan.

These segments are populated by small to mid-sized borrowers in smaller, urban and non-urban geographic markets, who require custom tailored financing solutions to meet their capital requirements. Money Gate maintains a mix of mortgage types in its portfolio including builder mortgages, first and second mortgages, development and construction mortgages and term financing mortgages on income producing properties. A typical loan size ranges from $20,000 to $2,000,000. The Corporation has established a policy that limits its credit exposure to any one borrowing group.

Management Experience

The principal occupations of the directors and senior officers of the Corporation over the past five years and their experience relevant to the Corporation's business are as follows:

Morteza Katebian, Director& President, MONEY GATE MORTGAGE INVESTMENT CORPORATION and CEO of Money Gate Corp. Prior to becoming President, Morteza held various positions in construction management and international financing.

Payam Katebian, Director & Secretary, MONEY GATE MORTGAGE INVESTMENT CORPORATION and operations manager for the administration division of Money Gate Corp. Payam Katebian will also be the Chief Operating Officer of MONEY GATE MORTGAGE INVESTMENT CORPORATION.

Bita Ghaffari, Director & Treasurer, MONEY GATE MORTGAGE INVESTMENT CORPORATION and Mortgage Broker of Record for Money Gate Corp. Bita Ghaffari will also act as head of the Credit Committee for MONEY GATE MORTGAGE INVESTMENT CORPORATION with 12 years of experience in underwriting and financing loans.

Investment Policies, Practices and Restrictions

The Corporation's investment policies, practices and restrictions include but are not limited to the Following:

- The Corporation invests primarily in residential, industrial and commercial mortgages.
- The Corporation also invests in demand loans and term loans secured by commercial, industrial and residential real estate.
- The Corporation may also buy or sell portions of mortgages administered or to be administered either by the Manager or by third parties, such as mortgage brokers, trust and insurance companies and investment dealers.
- The Corporation maintains at least 50% of its portfolio in mortgages secured on Canadian residential real estate and in short term deposits.
- the Corporation only invests in mortgages secured on properties.
- investments are made only when recommended by the Manager and approved by the Credit Committee.
- all mortgages are registered on title to the subject property in the Corporation's name, the Manager's name or a nominee bare trustee for the Corporation.
- the Corporation may invest in mortgage backed securities provided that the underlying mortgages which secure the bond, unit or other instrument that comprise the mortgage backed securities meet the requirement of a MIC under the Income Tax Act.
- cash balances not invested in mortgages or mortgage backed securities are deposited with a Canadian chartered bank in short term deposits, savings accounts or government guaranteed income certificates or treasury bills.
- the Corporation does not invest in any mortgage or make any investment that would result in its failure to qualify as a Mortgage Investment Corporation as defined in the Income Tax Act.
- the Corporation does not invest for the purposes of exercising control over management of any issuer.
- the Corporation does not guarantee the securities or obligations of any person.
- the Corporation does not loan money to or invest in securities of the Manager, or the Manager's affiliates or other non-arm's length parties, other than investments in mortgages provided by the Manager under the Management Services Agreement.

The Corporation's investment policies, practices and restrictions set out above may be amended, supplemented or replaced from time to time by unanimous approval of the Corporation's Board of Directors. Notwithstanding the foregoing, if at any time a government or regulatory agency having jurisdiction over the Corporation enacts any law, regulation or requirement which is in conflict with the Corporation's investment policies then the Board of Directors will have the authority to amend such policies, practices and restrictions to conform with applicable laws and regulations which shall not require the prior consent of the Shareholders.

Borrowing Strategy

Money Gate may from time to time borrow funds from other entities which will enable it to use funds more efficiently. It will do this by operating without excessive un-invested funds on hand. Un-invested funds may occur due to the variable and unpredictable nature of funding commitments and investor inflows and outflows.

Additionally, the MIC will earn a positive interest rate spread between the interest earned from investing such borrowings and the interest rate paid by the MIC on those borrowings.

Market Value

The market value of the underlying properties securing the mortgages will fluctuate over time depending upon local market and economic factors. The Manager will establish an active database of comparative properties with similar characteristics to assess the loan to value ratio of the portfolio as part of its ongoing risk management practices.

Of these investments, approximately 85% will be secured by second mortgages with the balance by first mortgages. In certain instances there will be additional collateral (e.g. personal property) and/or personal or corporate guarantees.

The average term to maturity of the portfolio is not anticipated to exceed 12 months since inception, which allows the Corporation to minimize our interest rate exposure.

Management anticipates that the utilization of a modest level of borrowing significantly enhances the total return to its shareholders.

Summary of the Income Tax Act MIC Criteria

Section 130.1 of the Income Tax Act sets out the criteria governing a MIC, and in summary provides that in order to qualify as a MIC for a taxation year, a Corporation must have met all of the following criteria throughout that taxation year:

1. The Corporation was a Canadian Corporation as defined under the Income Tax Act
2. Its only undertaking was the investing of its funds and it did not manage or develop any real property;
3. It did not invest in
   (a) debts secured on real property situated outside Canada;
   (b) debts owing to the Corporation by non-resident persons unless secured by real property situated in Canada;

(c) shares of companies not resident in Canada; or

(d) real property or leasehold interests outside Canada.

4. It had at least 20 shareholders, and no one shareholder together with related shareholder parties to that shareholder held more than 25% of the issued shares of any class of shares of the Corporation;

5. Any holders of preferred shares of the Corporation must have the right after payment to them of their dividends, and payment of dividends in a like amount per share to the holders of common shares of the Corporation, to participate pari passu with holders of the common shares in any further payment of dividends.

6. At least 50% of the cost amount (as defined in the Income Tax Act) of the company's assets must be comprised of:

   (a) Mortgage loans secured on property as defined in the National Housing Act (Canada) (e.g. Canadian houses ("a building or movable structure, or any part thereof, that is intended for human habitation and contains not more than two family housing units, together with any interest in land appurtenant to the building, movable structure or part thereof") and Canadian properties within housing projects ("any building or movable structure, or any part thereof, that is intended for human habitation, or any property that is intended to be improved, converted or developed to provide housing accommodation or services in support of housing accommodation, or any property that is associated with housing accommodation, including, without limiting the generality of the foregoing, land, buildings and movable structures, and public, recreational, commercial, institutional and parking facilities (e.g. a condo development , government housing, retirement & nursing homes, but NOT hotels)))

   (b) deposits with a bank or other corporation any of whose deposits are insured, or

   (c) cash.

7. No more than 25% of the cost amount of the Corporation's assets consist of real property (excluding any real property acquired after default made on a mortgage, hypothec or agreement of sale of real property whether it be by way of foreclosure or otherwise);

8. The liabilities of the Corporation at any time in the year must not exceed three times the excess of the cost amount to the Corporation of all of its property over such liabilities, if at any time in the year the cost amount to the Corporation of the properties referred to above under item 6 (50% asset test) is less than two thirds of the cost amount to the Corporation of all of its property. However, where at any time in the year the cost amount to a Corporation of the properties referred to above under item 6 (50% asset test) is equal to two thirds or more of the cost amount to the Corporation of all of its property, the liabilities of the Corporation must not exceed five times the excess of the cost amount to the Corporation of all of its property over such liabilities.

From time to time, the Corporation may borrow funds provided it is economical and prudent to do so. These borrowings may take the form of lines of credit from banks and other lending institutions and/or promissory notes and other types of debt contracts with individuals and companies, as the case may be. It is probable that debt instruments will be secured by a charge against the assets of the Corporation, and in the event of liquidation or wind up, will rank in priority to the rights of the shareholders of the Corporation.

As a MIC under the Income Tax Act, the Corporation is entitled to deduct from its income certain amounts related to taxable dividends and capital gains dividends. The Corporation intends to pay out as dividends substantially all of its net income and net realized capital gains every year, and as a result the Corporation anticipates that it will not be liable to pay income tax in any year.

Management Services Agreement

The Corporation has retained the Manager pursuant to the terms of The Management Services Agreement ("Management Agreement"), to administer the Corporation's business affairs on a day to day basis, to provide ongoing advice to the Corporation, to raise investment capital for the Corporation and to provide the Corporation with real estate, mortgage and financing services, subject to the supervision of the Board of Directors of the Corporation and the Credit Committee. The Manager is registered in the Province of Ontario through The Financial Services Commission of Ontario, as a Mortgage Administrator. The Management Agreement has an initial term of ten years and is automatically renewable for further terms of ten years after the expiration of the initial term, unless terminated early in accordance with the termination provisions. The Corporation may only terminate the Management Agreement for cause or the insolvency of the Manager. The Manager may also terminate the Management Services Agreement for cause or the insolvency of the Corporation.

Though the Corporation and the Manager expressly agree in the Management Agreement that neither the Management Services Agreement nor the relationship between the Corporation and the Manager establish the Manager as a fiduciary to the Corporation, the Manager has agreed that it will exercise its powers and discharge its duties under the Management Agreement honestly, in good faith and in what it reasonably believes to be in the best interests of the Corporation.

The Manager will be given reasonable advance notice of and has the right to attend and be heard at all meetings of the Corporation's shareholders, the Corporation's Board of Directors, and any committees established by the Board of Directors. The Manager will be provided with copies of the minutes of and any resolutions passed at all such meetings within a reasonable time after the meeting.

The Corporation acknowledges in the Management Agreement that the Manager and its shareholders, directors and senior officers have, or may have, interests and dealings in other companies, joint ventures, limited partnerships and/or MIC's which are presently or may in the future be actively engaged in similar businesses as the Corporation. The Corporation agrees that neither the Manager nor its shareholders, directors or senior officers will be liable to the Corporation for any conflict of interest as a result of such other interests or dealings, and that such interests and dealings do not and will not constitute a breach of the Management Agreement, even if competitive with the business of the Corporation, and even if the business opportunity could have been pursued by the Corporation.

The Manager will not be liable to the Corporation in respect of any loss or damage suffered by the Corporation, including any loss or diminution in the net assets (that is, the value of the Corporation's assets less its liabilities) of the Corporation, unless such loss or damage is a direct result of gross negligence, gross willful misconduct, or dishonesty by the Manager in relation to its duties and responsibilities under the Management Agreement.

The Management Agreement also provides that the Corporation will indemnify the Manager and its directors, officers and employees from any claims arising in relation to the Manager's duties and responsibilities under the Management Agreement.

Responsibilities of the Manager

The Manager holds directly or through subsidiary or associated companies all licenses, permits and registrations necessary in Ontario or elsewhere, for the Manager to carry out its responsibilities under the Management Agreement. More specifically, among other things, the Manager;

- assists the Directors in formulating and modifying the Corporation's investment policies and objectives;
- uses its best efforts to present investment opportunities consistent with the Corporation's investment policies;
- provides information relating to proposed acquisitions, dispositions, financing and mortgage investments;
- services and administers the Corporation's investments on its behalf, maintaining records and accounts in respect of each eligible investment and reports thereon on a monthly basis;
- provides those services required in connection with the collection, handling, prosecuting and settling of any claims with respect to the Corporation's investments, including foreclosing and otherwise enforcing security interests securing the Corporation's investments;
- delivers portfolio reports on a regular basis with respect to the Corporation's investments and provides documentation and/or other information as requested;
- generally acts as a residential and commercial mortgage loan administrator in administering the mortgage portfolio and related investments.

The Corporation is responsible for its entire taxes, legal, audit, shareholder communication, operating and administrative costs and expenses plus expenses associated with the acquisition, disposition and enforcement of the portfolio investments, except as outlined below under the section entitled Management Expenses. The costs of incorporating and organizing the Corporation and the offering of Shares were initially deferred and are being amortized against income over a five year period.

Management Fees

In consideration of the services provided by the Manager as described above, the Management Agreement provides that the Corporation will pay to the Manager management fees equal to the following:

1. Administration fees in respect of the Manager's general management and advisory services in an amount not to exceed 2% per annum, of the net assets of the Corporation calculated and paid

monthly. For this purpose, net assets means total assets less total liabilities of the Corporation and for greater certainty, the liabilities of the Corporation are not to include any amounts relating to the preferred share capital. This administration fee will be reviewed by the Corporation and the Manager each year on the anniversary date of the Management Agreement, but in no case will there be a change in the fee unless the Manager and the Corporation agree in writing.

2. Underwriting fees in respect of any underwriting, commitment, brokerage or renewal services, a fee in an amount equal to any underwriting, commitment, brokerage, renewal or similar fees set out in the commitment for the mortgage investments. The underwriting fees shall only be payable to the Manager to the extent that they are recovered from the borrowers.

3. Ancillary fees as set out in the security documents with the borrowers as compensation or reimbursement for overhead expenses. The ancillary fees shall only be payable to the Manager to the extent that they are recovered from the borrowers. Examples of ancillary fees include fees for statements, late payments, enforcement, insurance, inspections, dishonored cheques and defaults.

4. Service fees in respect of any property management, mortgage, real estate or capital raising services, as provided on an ad hoc basis upon agreement of the parties at the time. The Corporation will pay the Manager as agreed between them at the time the particular service is initiated, but in no case will the Manager be paid a fee which is greater than fair market value for the service.

Management Expenses

The Manager is responsible for all fees and expenses incurred in connection with the underwriting, completion and administration of investments to the extent that such fees and expenses are recoverable from borrowers.

Corporation's Credit Committee

The Corporation has established a credit committee (the "Credit Committee") to review all proposals regarding investment decisions and to approve or reject such proposals. These include investments and/or loans by the Corporation, borrowings by the Corporation and acquisitions and/or dispositions. The Credit Committee meets as required and in any event no less than quarterly to provide strategic guidance and direction. The Credit Committee will be appointed by the Directors of the Corporation. The Credit Committee is comprised of Morteza Katebian and Bita Ghaffari.

Corporation's Investment Committee

The Corporation has established an investment committee (the "Investment Committee") as a subcommittee of the Board of Directors of the Corporation. The members of the Investment Committee are Morteza Katebian and Bita Ghaffari.

The Investment Committee is responsible for the following:

1. Adjudicating and advising on transactions involving potential conflicts of interest;

2. Approving or rejecting investments in, and acquisitions of, mortgages which may adversely affect the status of the Corporation as a MIC; and

3. Dealing with such other matters as may be referred to the Investment Committee by the Board of Directors.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

No application has been made for an advance income tax ruling with respect to the investment described in this Offering Memorandum nor is it intended that any application be made.

Each Investor should consult his own professional advisers to obtain advice on the tax consequences that apply to the investor. No opinion from the Corporation's legal counsel or accountants has been given with respect to these income tax considerations. The analysis contained herein is not all encompassing and should not be construed as specific advice to any particular investor and is not a substitute for careful tax planning. Regardless of tax consequences, a decision to purchase the Shares offered should be based primarily on the merits of the investment as such and on an investor's ability to bear any loss that may be incurred.

The Corporation has prepared the following commentary, which it believes is a fair and adequate summary of the principal federal income tax consequences arising under the Income Tax Act for an investor who is resident in the Province of Ontario and who acquires Shares under this Offering Memorandum.

The income tax consequences will not be the same for all investors, but may vary depending on a number of factors including, whether Shares acquired by such investor will be characterized as capital property, and the amount such investor's taxable income would be but for his participation in this Offering.

The following discussion of the Canadian income tax consequences is, therefore, of a general and limited nature only and is not intended to constitute a complete analysis of the income tax consequences. This summary does not address provincial or territorial laws of Canada or any tax laws of any jurisdiction outside of Canada. Each prospective investor should obtain advice from its own independent tax advisor as to the Canadian federal and provincial income tax consequences of an acquisition of Shares. This summary is based on the Corporation's understanding of the current provisions of the Income Tax Act, the Regulations to the Income Tax Act, and the current administrative and assessing practices of Canada Revenue Agency, taxation ("CRA").

This summary outlines the Canadian federal income tax consequences to an investor based on important facts and assumptions as set out by the Corporation in the Offering Memorandum and particularly on additional facts and assumptions as follows:

(a) investors are, and will not cease to be, individuals resident in Canada;
(b) investors acquire Shares pursuant to this Offering Memorandum and hold the Shares as capital property;
(c) investors hold Shares for the purpose of earning income and have a reasonable expectation of earning a profit from holding the Shares; and
(d) The Corporation will qualify at all material times as a MIC for the purposes of the Income Tax Act.

It is incumbent upon prospective investors to fully investigate and substantiate the expectations above and, with respect to the assumption stated in (c) above, it is incumbent on an investor to investigate and substantiate his expectation of earning a profit from holding Shares, having regard to his expected financing costs and any projections he may wish to obtain from the Corporation.

There is no assurance that that the Income Tax Act and related Regulations will not be amended in a manner that fundamentally alters the income tax consequences for investors who acquire or dispose of Shares. This summary does not take into account any changes in law, whether by way of legislative or judicial action.

The Corporation

As a MIC, the Corporation is subject to special rules under the Income Tax Act that permit the Corporation to be operated, in effect, as a tax free "flow through" conduit of its profit to its Shareholders. The income of the Corporation for purposes of the Income Tax Act includes interest earned and the taxable portion of any net realized capital gains.

The Corporation is permitted to deduct from its net income all taxable dividends it pays to its Shareholders, other than capital gains dividends, and the taxable portion of its net realized capital gains distributed to Shareholders as capital gains dividends within the periods prescribed by the Income Tax Act. If and to the extent the Corporation has income after these and other applicable deductions, such income is subject to the prevailing tax rates applicable to a public corporation.

Shareholders

Dividends

Taxable dividends, except capital gains dividends, received by a Shareholder are taxable in the hands of the Shareholder as interest and not as dividends. Capital gains dividends received by a Shareholder are treated as capital gains of the Shareholder, one half of which must be included as a "taxable capital gain" in computing the Shareholder's taxable income.

Dispositions

A Shareholder will be considered to have disposed of his Shares when he assigns or sells his Shares, his Shares are the subject of a gift, he dies, or where the Corporation is wound up or otherwise terminated.

Shares which are the subjects of a gift or which are held by a Shareholder when he dies are generally deemed to be disposed of for proceeds equal to fair market value at that time. However, in certain circumstances a capital gain or capital loss will be deferred where by gift or bequest the Shares are transferred to the Shareholder's spouse or common-law partner (as defined in the Income Tax Act) who was resident in Canada immediately before the Shareholders death.

Generally, a Shareholder will realize a capital gain (or sustain a capital loss) equal to the amount by which the proceeds received or deemed to have been received on the disposition of Shares exceed (or are exceeded by) the adjusted cost base of the Shares.

Shareholders will include one half of any capital gain in computing taxable income as a "taxable capital gain." Similar proportions of a capital loss will be an "allowable capital loss" that may be used to offset taxable capital gains in the year that the capital loss is sustained. To the extent the allowable capital loss is not offset against taxable capital gains in that year, it may be carried back three years and forward indefinitely to offset taxable capital gains realized in those years.

Interest on Money Borrowed to Purchase Shares

An investor will generally be entitled to deduct from his income reasonable interest paid or payable with respect to monies borrowed to acquire Shares, provided he has a reasonable expectation of profit from holding the Shares. Interest expense deducted by an investor will be included in computing his cumulative net investment losses.

Provisions in the Income Tax Act may allow a Shareholder to continue to deduct interest expense where the Shares are disposed of, provided certain criteria are satisfied.

Deferred Income Plans (RRSPs, RRIFs, RESPs, Deferred Profit Sharing Plans, TFSAs)

Eligibility for Investment by Deferred Income Plans

As long as the Corporation is qualified as a MIC under the Income Tax Act, the Shares will be qualified investments for trusts governed by a registered retirement savings plan ("RRSP"), deferred profit sharing plans, and registered retirement income funds and registered education savings plans, provided the Corporation does not hold any debt of an annuitant, a beneficiary, an employer or a subscriber under the governing plan of the plan trust or of any other person who does not deal at arm's length with that person.

Interest Expense Regarding RRSP Contributions

Interest and other borrowing costs incurred by a Shareholder for the purpose of making a contribution to an RRSP are not deductible. Therefore, if a Shareholder holds Shares in an RRSP, the shareholder would not be eligible to deduct from his income any interest expense on money borrowed for the purpose of acquiring the Shares held in the RRSP.

Distributions Received From Corporation by RRSP

As noted, taxable dividends are deemed to be interest income to the Shareholder, which together with one half of capital gains dividends are added to the Shareholder's taxable income if the Shares are held personally by the Shareholder.

In most situations, such distributions paid on Shares held by an RRSP will not be subject to tax until the funds are withdrawn from the plan. An RRSP will not carry on business merely by holding Shares. The distributions paid to the RRSP will be taxable to the annuitant under the RRSP on withdrawal of the funds from the RRSP, which must occur no later than the year the annuitant becomes 69 years old.

RRSP Contribution Limits

An individual may contribute cash or eligible property (such as a Share) to an RRSP in a calendar year or within 60 days after the end of the year, and may claim a deduction for that calendar year to the extent that the amount contributed does not exceed the limits specified by the Income Tax Act. The amount of an individual's contribution will be equal to the fair market value of any property contributed as of the day of contribution. An indefinite carry forward of unused RRSP deduction room is available in the event contributions made to an RRSP for a particular year are less than the allowable contribution for that year.

The transfer of a Share to an RRSP will result in the deemed disposition for income tax purposes at an amount equal to the fair market value of the Share at the time of the transfer. For an individual Shareholder who holds a Share as capital property, the disposition will result in a capital gain equal to the excess of the fair market value of the Share over its adjusted cost base. Should the fair market value of the Share be less than its adjusted cost base upon contribution to the RRSP, no capital loss will be allowed.

Funds or property withdrawn from an RRSP are taxable to the annuitant under the RRSP in the year of withdrawal. The amount of any non- qualified investment acquired by an RRSP in a year is included in the income of the annuitant for the year.

Prohibited Investment Rules

There are two ways that the prohibited investment rules could impact investing in the Corporation held by registered plans. First, an interest in a trust or a corporation is a prohibited investment if the plan, the annuitant and non-arm's length parties together hold 10% or more of a class of shares of a corporation. This 10% rule could catch a client of the Manager or the employees, principals or shareholders of the Manager. The clients of most Managers expect that the principals of the Manager will invest in the Corporation that they manage, so that the managers' interests are aligned with those of their clients. In addition, new entrants into the Corporation's industry will usually put their money and that of their relatives in the Corporation to provide "start-up seed capital". In either of these situations, the 10% threshold may be exceeded by the principals and/or their relatives.

Second, if the annuitant of a registered plan does not deal at arm's length with the Corporation, any interest in the Corporation would be a prohibited investment, even if it is less than 10%. While, there are other potential non-arm's length scenarios that could apply, the non-arm's length issue is probably limited to the principals or employees of the Corporation's Manager who invest alongside their clients.

Where a registered plan, the annuitant of the plan, and persons that do not deal at arm's length with the annuitant together hold 10% or more of a class of shares of the Corporation, the interests held by the plan are prohibited investments. The 10% test applies to each class of share issued by the Corporation.

For example, if an individual were to hold 5% of a class of shares of the Corporation (outside of his RRSP) and 3% of the same class of shares of the Corporation in his RRSP, and his spouse were to hold 3% of the same class of shares of the Corporation personally, then the units in his RRSP would be prohibited investments. If the spouse were to hold her units in a registered plan, then those units would also be prohibited investments for her plan.

Where the annuitant under a registered plan does not deal at arm's length with the Corporation, any shares of the Corporation held by the plan will be a prohibited investment. It is conceivable that an investor may be deemed to be non-arm's length with a Corporation.

As noted above, it is quite common for the shareholders, principals and employees of a Manager to invest in their funds alongside their clients. Those investors would include the managers of the

Corporation, the individuals who decide which mortgages will be invested in and real estate held or sold by the MIC. It may not be as clear that such individuals do act at arm's length with the Corporation. If the management company does not deal at arm's length with the Corporation by virtue of such a relationship and an individual holds 10% or more of the shares of the management company, any investment in the Corporation by the individual's registered plan would be a prohibited investment.

DESCRIPTION OF THE CLASS A PREFERRED SHARES

The Corporation is offering an aggregate maximum of $20,000,000 consisting of 20,000,000 Class A Preferred Shares offered for sale at a price of $1.00 per Share. The rights and restrictions attaching to Class A Preferred Shares are as follows:

Interpretation as to the Description of the Class A Preferred Shares

1. Definitions: Where used in these share provisions, the following capitalized words and phrases shall, unless there is something in the context otherwise inconsistent therewith, have the following meanings, respectively:

    a) "Act" means the *Business Corporation Act*, Ontario, as now enacted or as the same may from time to time be amended, re-enacted or replaced (and, herein the case of such amendment, re-enactment or replacement, any references herein shall be read as referring to such amended, re-enacted or replaced provisions).

    b) "Business Day" means a day other than a Saturday, Sunday or any other day treated as a holiday in the municipality in Canada in which the Corporation's registered office is then situated.

    c) "Class A Preferred Shareholder" means a person recorded in the securities register of the Corporation for the Class A Preferred Shares as being the registered holder of one or more Class A Preferred Shares.

    d) "Common Shareholder" means a person recorded in the securities register of the Corporation for the Common Shares as being the registered holder of one or more Common Shares.

    e) "Directors" or "Board of Directors" means the board of directors of the Corporation.

    f) "Dividend Payment Date" means, where with respect to a month, dividends have been declared by the Board of Directors in accordance with the provisions hereof, the 15th day of the following month.

    g) "Liquidation Distribution" means a distribution of assets of the Corporation among its shareholders arising on the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

    h) "Redemption Date" means, with respect to the Class A Preferred Shares, the last day of a calendar quarter.

i) "Redemption Price" means, with respect to a Class A Preferred Share, the sum of $1.00 together with all declared and unpaid dividends on the Class A Preferred Share.

j) "Redemption Request" means, with respect to the Class A Preferred Share, a written notice in prescribed form, duly completed by the Class A Preferred Shareholder, requesting the corporation to redeem Class A Preferred Shares specified therein.

2. Gender, etc: Words importing only the singular number include the plural and vice versa, and words importing any gender include all genders.

3. Currency: Unless otherwise explicitly set forth herein, all references herein to "dollars" or "$" shall refer to the lawful currency of Canada, and all amounts payable hereunder shall be payable in lawful currency of Canada.

4. Business Day: If any date upon which any dividends are payable by the Corporation, or upon which any other action is required to be taken by the Corporation or any Shareholder hereunder, is not a Business Day, then such dividend shall be payable or such other action shall be required to be taken on or by the next succeeding day which is a Business Day.

5. Headings: The division of these share provisions into sections, paragraphs, subparagraphs or other subdivision and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

6. Governing Statute: These share provisions shall be governed by and are subjected to the applicable provisions of the Act and all other laws binding upon the Corporation and, except as otherwise expressly provided herein, all terms used herein which are defined in the Act shall have the meanings ascribed to those terms in the Act.

Dividends

1. Corporation to pay Dividends: Holders of the Class A Preferred Shares shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the Board of Directors out of monies of the Corporation properly applicable to the payment of dividends, preferential cash dividends in such amount and in such form as the Board of Directors may from time to time determine, payable on each Dividend Payment Date. All dividends which the Board of Directors may declare on the Class A Preferred Shares shall be declared and paid in equal amounts per share on all Class A Preferred Shares at the time outstanding.

2. Dividend Payment: Dividends on the Class A Preferred Shares shall be paid to the holder of record thereof determined at the close of business on the Business Day immediately preceding the relevant Dividend Payment Date.

3. The Corporation pays out as cash dividends substantially all of its net income and net realized capital gains every year. The dividends are calculated and paid on a monthly basis within 15 days after the end of each calendar month and in any event within 90 days of its year end. The payment of dividends is subject to the discretion of the Board of Directors to establish working capital and other reserves for the Corporation.

Liquidation

1. Liquidation Preference: In the event of any Liquidation Distribution, the Class A Preferred Shareholders shall be entitled to receive from the assets and property of the Corporation for each Class A Preferred Share held by them the Redemption Price before any amount shall be paid or any property or assets of the Corporation distributed to the Common Shareholders or shares of any other class ranking junior to the Class A Preferred Shares with respect to priority in a Liquidation Distribution.

2. No Participation in Surplus Assets: After payment to the Class A Preferred Shareholders of the amount so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

Redemptions

1. Redemptions at the Option of the Shareholder: Provided that (i) a Class A Preferred Share that is the subject of a redemption request has been issued and outstanding for at least 12 months, and (ii) the redemption requested will not result in a contravention of the Act or any other provision of the Articles of Incorporation, the holders of the Class A Preferred Shares shall be entitled to make a redemption request to the Corporation, requiring the Corporation to redeem at the Redemption Price all or any part of the Class A Preferred Shares then held in accordance with the terms set out herein. A Class Preferred Shareholder must provide a Redemption Request to the Corporation. The Class A Preferred Shares specified in the Redemption Request will be redeemed by the Corporation on the Redemption Date next following the date which is 180 days after receipt by the Corporation of the Redemption Request. The Directors may, in the case of any Class A Preferred Shareholder, waive or reduce the minimum 12 month holding period or the minimum notice period provided herein in circumstances where the Directors have determined that such requirements will result in undue hardship to the Class A Preferred Shareholder. Notwithstanding the redemption rights outlined herein, in the interests of all Shareholders of the Corporation certain restrictions may, in the sole discretion of the Directors, be placed on Substantial Shareholders.A Substantial Shareholder is defined as a Shareholder together with parties related to that Shareholder (as defined in the Income Tax Act) who holds a total number of shares which is equal to or greater than 15% of the total number of Shares outstanding.As long as a particular Shareholder is defined as a Substantial Shareholder they will be restricted to redeeming no more than 20% of their Shareholdings in any six month period.

2. Redemption by the Corporation: Upon 21 days prior written notice to the Class A Preferred Shareholder, the Corporation may at any time redeem any Class A Preferred Share registered in the name of a Class A Preferred Shareholder at the Redemption Price. The Corporation may, without notice to the Class A Preferred Shareholder, redeem sufficient Class A Preferred Shares registered in the name of a Class A Preferred Shareholder at the

Redemption Price to the extent necessary to pay any outstanding fees, charges, expenses or other amounts owed by the Class A Preferred Shareholder to the Corporation. The Corporation may, without notice to the Class A Preferred Shareholder, redeem Class A Preferred Shares registered in the name of a Class A Preferred Shareholder at the Redemption Price where (i) required by applicable law or policies of security regulatory authorities; or (ii) as may be required to ensure that the Corporation qualifies and continues to qualify as a "mortgage investment corporation" under section 130.1 of the *Income Tax Act*, Canada, or (iii) where the Board of Directors has by resolution determined that such redemption is necessary in order to ensure that the securities of the Corporation do not constitute a "prohibited investment" to any annuitant of a registration plan for purposes of the *Income Tax Act*, Canada.

3. Payment Upon Redemption: The Corporation shall pay or cause to be paid to each Class A Preferred Shareholder whose Class A Preferred Shares are to be redeemed pursuant to this Section 3, an amount equal to the aggregate Redemption Price, less any redemption fees, charges or other amounts then payable by the Class A Preferred Shareholder. Payment shall be made on the 15th day following the applicable Redemption date. Payment may be made by cheque, electronic funds transfer or other means acceptable to the Corporation and the Class A Preferred Shareholder. Upon payment of the aggregate Redemption Price, the Class A Preferred Shares redeemed shall be immediately cancelled. The Class A Preferred Shareholder shall thereafter cease to have any further rights with respect to such Class A Preferred Shares and provided that payment of the aggregate Redemption Price is duly made, the Corporation shall be discharged from all liability to the Class A Preferred Shareholder with respect to the Class A Preferred Shares redeemed and the amount paid.

4. Suspension of Redemptions: Notwithstanding anything else contained herein, the Board of Directors of the Corporation may suspend or postpone, or continue a suspension or postponement of, the right to require redemption of the Class A Preferred Shares (i) where the Board of Directors has determined that market conditions exist which render impracticable an orderly sale or liquidation of the assets of the corporation, or (ii) where the Board of Directors has determined that the suspension or postponement is required to ensure fair and equitable treatment of all of the Class A Preferred Shareholders, or (iii) as may be permitted or required by law.

5. Where Redemption Suspended: Upon the commencement of any suspension of the right to require redemptions, the Corporation shall promptly notify any Class A Preferred Shareholder who has submitted a Redemption Request and has not been paid, of the suspension. The affected Class A Preferred Shareholder may thereupon withdraw the Redemption Request or part thereof. If not so withdrawn, the Class A Preferred Shareholder will be entitled to be paid the aggregate Redemption Price on the Redemption Date next following the date that the redemption privilege is reinstated, provided that the minimum holding period and the minimum notice period in paragraph a) above have been complied with.

6. Partial Redemptions Permitted: On any Redemption Date, the Corporation may redeem some but not all of the Class A Preferred Shares for which Redemption Requests have been received and postpone or suspend the redemption of the remaining Class A Preferred

Shares pursuant to the provisions hereof. Any such partial redemption shall be made pro rata among all Class A Preferred Shareholders who submitted such Redemption Requests.

Method of Payment

The mailing or other transmission to any Class A Preferred Shareholder at the Class A Preferred Shareholder's address as recorded in the register maintained by the Corporation in respect of the Class A Preferred Shares of a cheque payable to the order of the Class A Preferred Shareholder for the amount of any redemption, dividend or other distribution payable in cash shall discharge the Corporation's liability for the redemption, dividend or other distribution to the amount of the cheque or transmission, unless the cheque is not paid on due presentation. In the event of the non-receipt of any cheque for a redemption, dividend or other distribution, the Corporation shall issue to the Class A Preferred Shareholder a replacement cheque for the same amount on such reasonable terms as to indemnity and evidence of non-receipt as the Corporation may impose. No Class A Preferred Shareholder shall be entitled to recover by action or other legal process against the Corporation the amount of any redemption, dividend or other distribution that is represented by a cheque that has not been duly presented to a banker of the Corporation for payment or that otherwise remains unclaimed for a period of 6 years from the date on which it was payable.

Voting

1. Voting Restrictions: The Class A Preferred Shareholders shall **not** be entitled as such (except as hereinafter specifically provided and expect as otherwise provided by the Act) to receive notice of or to attend any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting.

2. Limited Voting Rights: The Class A Preferred Shareholders shall, however, be entitled to notice of and to attend all meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation pursuant to the Act or a sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business pursuant to subsection 189(3) of the Act and shall have one vote for each Class A Preferred Share held at each such meeting.

3. Dissent Rights: The Class A Preferred Shareholders shall not be entitled to dissent rights as prescribed by the Act in respect of, any proposal to amend the articles of the Corporation to: (a) increase or decrease any maximum number of authorized Class A Preferred Shares, or increase any maximum number of authorized shares of such class or series having rights or privileges equal or superior to the Class A Preferred Shares; (b) effect an exchange, reclassification or cancellation of the Class A Preferred Shares; or (c) create a new class or series of shares inferior, equal or superior to the Class A Preferred Shares.

Amendment of Articles of Incorporation

The Articles may be amended pursuant to the Act to:

1. Increase or decrease any maximum number of authorized Class A Preferred Shares, or increase any maximum number of authorized Class A Preferred Shares having rights or privileges equal or superior to the Class A Preferred Shares;

2. Effect an exchange, reclassification or cancellation of the Class A Preferred Shares; or

3. Create a new class or series of shares equal or superior to the Class A Preferred Shares,

and no separate class vote shall be required under the Act in respect of the amendment, and the Class A Preferred Shareholders shall have no dissenting rights in respect thereof.

Priority

The Common Shares shall rank junior to the Class A Preferred Shares and shall be subject in all respects to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares.

Dividend Reinvestment Plan

The Corporation, subject to maintaining the status of the Corporation as a "MIC" under the Income Tax Act, Canada, maintains a dividend reinvestment and Share purchase plan (the "DRIP"). Under the DRIP, Shareholders can reinvest dividends in additional Shares of the Corporation. The Corporation or the Manager administers all aspects of the DRIP.If the Purchaser wishes to participate in the Dividend Reinvestment Plan operated by the Issuer, the Purchaser must complete and return the Enrolment Form for Dividend Reinvestment Plan attached hereto as **Exhibit 2**.

Eligibility

All holders of Shares are eligible to participate in the DRIP by completing an enrolment form in the form attached hereto as **Exhibit 2** and returning it to the Corporation (the "Registered Participants"). If a Shareholder wishes to participate in the DRIP, they may enroll any of their Shares in the DRIP.

Investment Date

Dividends are calculated, paid and reinvested in Shares on a monthly basis (the "Investment Date"). In the future, the Corporation may calculate and pay dividends on the Shares on a quarterly basis within 15 days after each calendar month. The payment of a dividend, and the declaration, record and payment dates applicable to it are determined by the Board of Directors in its sole discretion.

Cost and Attributes of Shares Purchased under the "DRIP"

Shares are purchased at $1.00 per Share and are issued from the Treasury of the Corporation. The Corporation uses the cash dividends attributable to a Shareholder to purchase additional

Shares on behalf of the Shareholder. All Shares acquired through the DRIP are credited to the Shareholder's account. At the end of each fiscal quarter, physical certificates will be issued to the Shareholder for all shares acquired under the DRIP for that fiscal year period. No fractional Shares will be issued by the Corporation under the DRIP. Residual cash dividends which are not used to purchase additional Shares will be credited to the account of the Shareholder. No brokerage or administration fees will be charged by the Corporation or the Manager for participation in the DRIP. A Shareholder may elect to purchase additional Shares at the same subscription price and at the same time as they acquire Shares under the DRIP. There is no minimum aggregate subscription amount under the DRIP. Shares issued under the DRIP may not be transferred or pledged.

Transaction Statements

Transaction statements are sent to Shareholder following each Investment Date. The transaction statements will show the Shares purchased under the Plan and should be retained for income tax purposes. The Corporation also reports to the Shareholder on an annual basis any required information for income tax purposes with regard to all dividends paid to each holder of Shares.

Termination of Participation in the DRIP

Participation in the DRIP may be terminated by a Shareholder at any time by giving written notice to the Corporation. In the event that written notice terminating participation in the DRIP is not received by the Corporation at least five business days before an Investment Date, the requested action will not be taken until after such Investment Date.

Liabilities of the Corporation and Manager

Neither the Corporation nor the Manager is liable for any act undertaken or omitted in good faith. Neither the Corporation nor the Manager can assure a profit or protect any Shareholder against a loss relating to Shares acquired or to be acquired under the DRIP.

Amendments to Plan and Termination by Corporation

The Corporation reserves the right to amend, suspend or terminate the DRIP at any time. In the event of any such occurrence, the Corporation will give reasonable notice in writing to all Shareholders. The Corporation and the Manager may make rules and regulations inconsistent with the terms of the DRIP in order to improve the administration of the DRIP.

Tax Consequences

The reinvestment of dividends does not relieve a Shareholder of liability for tax on those dividends. Holders of Shares who intend to participate in the DRIP should consult their tax advisers about the tax consequences which will result from their participation in the DRIP.

Preemptive Rights

Except as otherwise required by law, the holders of Shares are not entitled as such to subscribe for, purchase, or receive any part of any issue of shares, bonds, debentures or other securities of the Corporation.

CAPITALIZATION

Description of Security	Number authorized to be issued	Number outstanding at May 5, 2014	Number outstanding after max. offering
Common Shares	Unlimited	300	300
Class A Preferred Shares	Unlimited	0	20,000,000

DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

The following table sets out the specified information about each director, officer and promoter of the Corporation and each person who, directly or indirectly, beneficially owns or controls 10% or more of the Common Shares of the Corporation.

Name and Municipality of Residence	Positions held and the date of obtaining such position	Number, type and percentage of voting securities of the Corporation held after completion of max. offering
Morteza Katebian Markham, Ontario	Director, President Since May 5, 2014	100 Common Shares
Payam Katebian Thornhill, Ontario	Director, Secretary Since May5, 2014	100 Common Shares
Bita Ghaffari Toronto, Ontario	Director, Treasurer Since May 5, 2014	100 Common Shares

The Directors and Officers of the Corporation and parties related to them hold, in the aggregate, 300Common Shares of the Corporation.

LEGAL PROCEEDINGS

As of the date hereof there are no legal proceedings by or against The Corporation.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or officer of the Manager or of the Corporation is indebted to the Corporation.

Bankers

The Royal Bank of Canada is the Corporation's banker. The Corporation will deposit all funds received from subscribers with its bank prior to closing of the Offering. Other banks may be appointed by the Corporation at the discretion of the Board of Directors.

Auditors

The Board of Directors of the Corporation has appointed Henry Goldberg Chartered Accountant.

Legal Counsel

The Corporation has retained Jeff Levy of Levy Zavet PC for general commercial matters and as general counsel with respect to real estate.

CONFLICTS OF INTEREST

General

Conflicts of interest exist, and others may arise, between investors and the directors and officers of the Manager and the Corporation and their associates and affiliates.

There is no assurance that any conflicts of interest that may arise will be resolved in a manner most favourable to investors. Persons considering a purchase of Shares pursuant to this Offering must rely on the judgment and good faith of the directors, officers and employees of the Manager and the Corporation in resolving such conflicts of interest as may arise.

The Manager

The Corporation and its Shareholders are dependent in large part upon the experience and good faith of the Manager which is entitled to earn a fee for providing services to the Corporation. Officers and directors of the Manager may also serve from time to time as directors of the Corporation and/or Members of the Investment Committee.

The Manager and its associates are entitled to act in a similar capacity for other companies with investment criteria similar to those of the Corporation. As such, there is a risk the Manager will not be able to originate sufficient suitable investment opportunities to keep the Corporation's funds fully invested. Also, the Directors of the Corporation and the Manager may be employed by or act in other capacities for other companies involved in mortgage and lending activities.

Lack of Separate Legal Counsel

The investors, as a group, have not been represented by separate counsel. Neither counsel for the Corporation nor counsel for the Manager have acted or are acting for the investors, nor to have conducted any investigation or review on their behalf.

RISK FACTORS

General

An investment in the Shares offered hereunder should be considered speculative due to the stage and nature of the Corporation's business. Investors should carefully review the following factors together with the other information contained in this Offering Memorandum before making an investment decision.

This is a speculative Offering. The purchase of Shares involves a number of risks and is suitable only for investors who are aware of the risks inherent in the real estate industry and who have the ability and willingness to accept the risk of loss of their invested capital and who have no immediate need for liquidity. There is no assurance of any return on an investor's investment. Investors should consult with their own independent professional legal, tax, investment and financial advisors before purchasing Shares in order to determine the appropriateness of this investment in relation to their financial and investment objectives and in relation to the tax consequences of any such investment.

In addition to the factors set forth elsewhere in this Offering Memorandum, investors should consider the following risks before purchasing Shares. Any or all of these risks, or other as yet unidentified risks, may have a material adverse effect on the Corporation's business, and/or the return to the investors.

No Market for Shares

There is no market through which the Shares may be sold and the Corporation does not expect that any market will develop pursuant to this Offering or in the future. Accordingly, an investment in Shares should only be considered by investors who do not require liquidity. The Shares are subject to resale restrictions under applicable securities legislation. See "Restrictions on Resale".

Absence of Management Rights

The Shares being sold under this Offering do not carry voting rights, and consequently an investor's investment in Shares does not carry with it any right to take part in the control or management of the Corporation's business, including the election of directors.

In assessing the risks and rewards of an investment in Shares, investors should appreciate that they are relying solely on the good faith, judgment and ability of the directors, officers and employees of the Corporation and the Manager to make appropriate decisions with respect to the management of the Corporation, and that they will be bound by the decisions of the Corporation's and the Manager's directors, officers and employees. It would be inappropriate for investors unwilling to rely on these individuals to this extent to purchase Shares.

MIC Tax Designation

The Directors of the Corporation use their best efforts to ensure that the Corporation qualifies at all times as a MIC pursuant to the Income Tax Act. To that end, the Directors have the discretion to reject any applications for stock dividends or share subscriptions, transfers, redemptions or retractions where, in the view of the Directors, such acts would result in the Corporation failing to meet the requirements of a MIC under the Income Tax Act.

As a Corporation qualified as a MIC, the Corporation may deduct taxable dividends it pays from its income and the normal gross up and dividend tax credit rules will not apply to dividends paid by the Corporation on the Shares. Rather, the dividends will be taxable in the hands of Shareholders as if they had received an interest payment. If for any reason the Corporation fails to maintain its MIC qualification in a particular year, the dividends paid by the Corporation on the Shares would cease to be deductible from the income of the Corporation for that year and the dividends it pays on the Shares would be subject to the normal gross up and dividend tax credit rules. In addition, the Shares might cease to be qualified investments for trusts governed by RRSPs, deferred profit sharing plans and registered retirement income funds, with the effect that a penalty tax would be payable by the investor.

There can be no assurance, however, that the Corporation will be able to meet the Income Tax Act's MIC qualifications at all material times.

Reliance on Manager

In accordance with the terms of the Management Agreement between the Corporation and the Manager, the Manager has significant responsibility for assisting the Corporation in conducting its affairs. Any inability of the Manager to perform competently or on a timely basis could negatively affect the Corporation.

Key Personnel

The operations of the Corporation and the Manager are highly dependent upon the continued support and participation of their key personnel. The loss of their services may materially affect the timing or the ability of the Corporation to implement its business plan.

The Corporation's and Manager's management teams consist of key personnel. In order to manage the Corporation and the Manager successfully in the future, it may be necessary to further strengthen their management teams. The competition for such key personnel is intense, and there can be no assurance of success in attracting, retaining, or motivating such individuals.

Use of Leverage

The Corporation has the option to incur indebtedness secured by the Corporation's assets to purchase or make mortgage investments. There can be no assurance that such a strategy will enhance returns, and in fact, use of this strategy could adversely affect returns.Use of leverage through borrowing (and the assignment of mortgages as collateral) can also expose the Corporation to additional losses of capital.

Future Operations and Possible Need for Additional Funds

The Corporation requires significant funds to carry out its business plan. In the event the Corporation is unable to raise sufficient funds by this Offering and/or future offerings and/or other debt or equity financing, the Corporation may have insufficient funds available to it to implement its business plan, and investors may receive no return on their Shares. Certain uninsurable or uninsured events may also occur which can substantially reduce the ability of the Corporation to carry on business in a profitable manner, including natural or man-made disasters.

The Corporation anticipates that a substantial portion of the net proceeds of this Offering will be expended by the Corporation in investing in residential mortgages, and also anticipates that the net proceeds of the Offering and anticipated cash flow from operating revenues will be sufficient to carry out the Corporation's business plan. There can be no assurances, however, that the Corporation will generate sufficient cash flow from operations or that it will not encounter unexpected costs in connection with implementing its business plan, and as a consequence there can be no assurances that the Corporation will not require additional financing. There can be no assurance that any such additional financing can be obtained on terms acceptable to the Corporation, or at all. Failure to obtain additional financing would likely have a substantial material adverse effect on the Corporation.

Insurance

The Corporation's mortgage investments will not usually be insured in whole or in part. As well, there are certain inherent risks in the real estate industry, some of which the Corporation may not be able to insure against or which the Corporation may elect not to insure due to the cost of such insurance. The effect of these factors cannot be accurately predicted.

Priority

Financial charges for construction and other financing funded by conventional third party lenders may rank in priority to the mortgages registered in favour of the Corporation. In the event of default by the mortgagor under any prior financial charge, the Corporation may not recover any or all of the monies advanced.

Default

If there is default on a mortgage, it may be necessary for the Corporation, in order to protect the investment, to engage in foreclosure or sale proceedings and to make further outlays to complete an unfinished project or to maintain prior encumbrances in good standing. In those cases, it is possible that the total amount recovered by the Corporation may be less than the total investment, resulting in loss to the Corporation.

Yield

The yields on real estate investments, including mortgages, depend on many factors including economic conditions and prevailing interest rates, the level of risk assumed, conditions in the real estate industry, opportunities for other types of investments, legislation, and governmental regulation and tax laws. The Corporation cannot predict the effect that such factors will have on its operations.

Competition

The earnings of the Corporation depend on the Corporation's ability, with the assistance of the Manager, to locate suitable opportunities for the investment and reinvestment of the Corporation's funds and on the yields available from time to time on mortgages and other investments. The industry in which the Corporation operates is subject to a wide variety of competition from public and private businesses in Canada and the United States, many of whom have greater financial and technical resources than the Corporation. Such competition, as well as any future competition, may adversely affect the Corporation's success in the marketplace.

Competitors may reduce the interest rates they charge, resulting in a reduction of the Corporation's share of the market, reduced interest rates on loans, and reduced profit margins.

PROSPECTUS EXEMPTION

The Shares are being offered on a private placement basis. The Offering is being made in reliance upon the "Accredited Investor" exemption from the registration and prospectus requirements contained in the *Securities Act* (Ontario), as provided in Section 2.3 of Ontario Securities Commission National Instrument 45 -106 ("NI45-106"). Accordingly, no prospectus has been or will be filed in connection with the Offering. The definition of "Accredited Investor" is found in Section 1.1 of NI 45-106. The subscription agreement requires each investor to confirm his status as an "Accredited Investor" under NI 45-106.

The Offering is also being made in reliance upon the "Minimum amount investment" exemption from the registration and prospectus requirements contained in Section 2.10 of NI45-106. That is, such subscriber is purchasing as principal and for the minimum amount investment of $150,000; and is either purchasing the Shares as principal for its own account, or is deemed to be purchasing the Shares as principal for its own account in accordance with applicable securities laws.

RESTRICTIONS ON RESALE

No prospectus has been filed in connection with this Offering in Canada or elsewhere. As a result, the securities acquired hereunder may only be resold pursuant to National Instrument 45-102 entitled "Resale of Securities" ("NI 45-102"). The following summary is based upon the current provisions of the NI 45-102. The summary does not take into account or anticipate any changes in the law, whether by judicial, governmental or legislative action or decision.

The Shares being distributed pursuant to this Offering Memorandum are subject to restrictions on resale until such times as: (i) appropriate hold periods have been satisfied; (ii) the trade is made in reliance on an available statutory exemption; or (iii) an appropriate discretionary order is obtained pursuant to applicable securities laws. Since the Corporation is not a reporting Corporation pursuant to applicable Canadian securities legislation, the applicable hold period may never expire, and if no further statutory exemption is available and if no discretionary order is obtained, this could result in a potential investor having to hold Shares for an indefinite period of time. The Corporation does not intend to file a prospectus or otherwise become a Reporting Issuer pursuant to applicable Canadian securities legislation and accordingly it is not intended that any Shares will become freely tradable.

Purchasers of Shares offered hereunder who wish to resell such securities should consult with their own legal advisers prior to engaging in any resale, in order to ascertain the restrictions on any such resale.

It is the responsibility of each individual purchaser of Shares to ensure that all forms required by the applicable securities legislation are filed as required upon disposition of the Shares acquired pursuant to this Offering. Hence the legend placed on the share certificates is as follows:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [INSERT THE DISTRIBUTION DATE], AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY."

PURCHASER'S RIGHTS OF WITHDRAWAL AND RESCISSION

In Ontario, every purchaser of Shares pursuant to this Offering Memorandum shall have a right of action for damages and/or rescission against the Corporation if this Offering Memorandum or any amendment thereto contains a misrepresentation (as defined in the *Securities Act* (Ontario)). In particular, Section 130.1 of the *Securities Act* (Ontario) provides that if this Offering Memorandum contains a misrepresentation, a purchaser who purchases Shares offered by the Offering Memorandum during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or alternatively, may elect to exercise a right of rescission against the Corporation, provided that:

(a) the Corporation will not be liable if it proves that the purchaser purchased the Shares with knowledge of the misrepresentation;

(b) in an action for damages, the Corporation is not liable for all or any portion of the damages that the Corporation proves do not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon;

(c) in no case shall the amount recoverable exceed the price at which the Shares were offered; and

(d) the right of action for rescission or damages is in addition to and without derogation from any other rights the purchaser may have at law.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

(a) in the case of an action for rescission, 120 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any action, other than an action for rescission, the earlier of:

(i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or
(ii) three years after the date of the transaction that gave rise to the cause of action.

HOW TO SUBSCRIBE

Investors wishing to subscribe for Shares are to execute in duplicate a subscription agreement in the form attached as **Exhibit 1** to this Offering Memorandum and to deliver same to the Corporation, together with a cheque payable to the Corporation for the full subscription amount. All monies received by the Corporation for subscriptions for Shares together with related copies of the subscription agreements will be held by the Corporation. Investors whose subscriptions are accepted will be entitled to interest on the subscription funds from the date of acceptance until the Shares are issued at the end of that quarter at a rate comparable to the dividend rate payable to the holders of Shares during the interim period.

Share Certificates

All share certificates shall remain in the possession of the Company lawyer who shall hold same in escrow and subject to the lawful direction of the Board of Directors hereto in accordance with this Offering or court order on notice to all Shareholders.

Acknowledgement (please return one original copy with Subscription Agreement)

I,______________________________, on behalf of myself or on behalf of _______________________________ (name of corporation/trust etc...), understand the respective information provided hereto entirely, and have full knowledge of its contents, including any rights, obligations and restrictions as well as its nature and consequences; and

i. that I acknowledge on behalf of myself or on behalf of _________________________ (name of corporation/trust), that this document is self-explanatory, easy to understand, and that any reasonable person would not misinterpret the information provided hereto; and
ii. that I acknowledge on behalf of myself or on behalf of __________________________(name of corporation/trust etc...), that I am not under any undue influence or duress to proceed with subscribing hereto under this offer; and
iii. that I acknowledge on behalf of myself or on behalf of ___________________________(name of corporation/trust etc...) that I am signing this acknowledgement and other documents in relation hereto, such as the Subscription Agreement and Subscriber certificate, voluntarily; and
iv. that I have the opportunity and have been advised to seek independent legal advice prior to entering into any agreement hereto, including the Subscription Agreement and Subscriber certificate; and
v. that no advice, be it legal, business or of any kind, regarding this offering or anything else provided together with this offering memorandum, has been provided to me by the Corporation, its employees, directors, officers, shareholders, stakeholders, affiliates, lawyers, subsidiaries or any related party to any of the aforementioned; and
vi. that I acknowledge that this is a risky investment and that I could lose all the money I invest; and
vii. that I **am** or **am not**(*circle one that applies to you*) a Control Person, Founder, Affiliate of Founder, Spouse/Parent/Brother/Sister/Grandparent/Grandchild/Child (*circle those that apply to you*) of an Executive Officer or Director or Founder (*circle which apply*) of the Corporation.

The undersigned certifies this acknowledgement hereto as of ________________ ___, 201__.

________________________	________________________
Signature of Witness	Signature of Purchaser
________________________	________________________
Print Name of Witness	Print Name of Purchaser

EXHIBIT 1 – SUBSCRIPTION AGREEMENT (ONTARIO)

TO: MONEY GATE MORTGAGE INVESTMENT CORPORATION
122 Kirk Drive
Thornhill, Ontario,
L3T 3L4 (the "Issuer")

The undersigned (the "Purchaser", "Investor" or the "Subscriber") hereby subscribes for the following securities of the Issuer (the "Shares")

No. of Shares	**Class of Shares**	**Subscription Price of Shares (@ $1.00 each)**	**Redeemable by Investor***
_________ Shares	Class A Preferred	$__________	12 months from last day of month in which issued, namely on ____________________,
Total Shares: _______		Total Subscription Price: $__________	*Refer to "Redemption Rights"

PURSUANT TO THE OFFERING MEMORANDUM OF THE ISSUER DATED August1, 2014 THAT MAY BE AMENDED FROM TIME TO TIME (THE "OFFERING MEMORANDUM"), RECEIPT OF COPY OF WHICH IS HEREBY ACKNOWLEDGED, THE UNDERSIGNED TENDERS TO THE ISSUER THE SUBSCRIPTION PRICE IN THE AMOUNT OF $1.00 PER SHARE BY WAY OF CHEQUE OR BANK DRAFT PAYABLE TO MONEY GATE MORTGAGE INVESTMENT CORPORATION. THE UNDERSIGNED ACKNOWLEDGES THAT THE SUBSCRIPTION FOR THE SECURITIES IS SUBJECT TO THE ACCEPTANCE OF THIS SUBSCRIPTION BY THE CORPORATION. THE UNDERSIGNED FURTHER ACKNOWLEDGES THAT IT HAS READ BOTH THE OFFERING MEMORANDUM AND SUBSCRIPTION AGREEMENT AND HAS HAD AN OPPORTUNITY TO OBTAIN INDEPENDENT PROFESSIONAL ADVICE REGARDING THE PURCHASE AND RESALE OF THE SHARES. UNLESS OTHERWISE DEFINED IN THIS SUBSCRIPTION AGREEMENT, ALL OF ITS CAPITALIZED TERMS HAVE THE SAME MEANING AS DEFINED IN THE OFFERING MEMORANDUM.

Conditions:

The completion of the issuance of the Shares pursuant to this Subscription Agreement is conditional upon:

1. The Issuer receiving and accepting, on or before the Closing, subscriptions for at least 2,000,000 Class A Preferred Shares; and
2. The Issuer receiving and accepting, on or before the Closing, subscriptions from at least 20 subscribers.

Subscriber Certificate:

The Subscriber must complete and return to the Issuer at the same time as this Subscription Agreement the Subscriber Certificate attached hereto as Schedule A, which Subscriber Certificate is incorporated into and forms a part of this Subscription Agreement, and the Subscriber covenants that the Subscriber Certificate has been completed by the Subscriber and is accurate in all respects.

Dividend Reinvestment Plan:

If the Subscriber wishes to participate in the Dividend Reinvestment Plan operated by the Issuer, the Subscriber must complete and return the Enrolment Form for Dividend Reinvestment Plan attached hereto as Schedule B.

The Purchaser acknowledges, represent, warrants and declares that, as at the date of this Agreement and at the Closing, that:

(a) No prospectus has been filed by the Issuer with the Ontario Securities Commission (the "Commission") in connection with the issuance of the Shares, the issuance of the Shares is exempted from the prospectus requirement of the *Securities* Act (Ontario) (the "Act") and the regulations (the "Regulations") and rules (the "Rules") promulgated pursuant to the Act, and that:

   i. the Purchaser is restricted from using most of the civil remedies available under the Act, Regulations and Rules;

   ii. the Purchaser may not receive information that would otherwise be required to be provided to the Purchaser under the Act, Regulations and Rules; and

   iii. the Issuer is relieved from certain obligations that would otherwise apply under the Act, Regulations and Rules;

(b) The Purchaser is an "accredited investor" as defined in Section 1.1 and 2.3 of the Ontario Securities Commission's National Instrument 45-106, Prospectus and Registration Exemptions, ("NI 45-106"), a copy of which definition is attached as Exhibit 1 to this Subscription Agreement and has confirmed such status by initialing the appropriate category of "accredited investor" in Exhibit 1 that applies to the Purchaser and signing Exhibit 1. Or by Section 2.10 of NI 45-106, the Purchaser is purchasing for the minimum amount investment of $150,000and has confirmed such status by initialing the appropriate category of acquiring not less than $150,000 of Shares in Exhibit 1 that applies to the Purchaser;

(c) The Purchaser is aware of the characteristics of the Shares, the risks relating to an investment therein and agrees that the Purchaser must bear the economic risk of his or her investment in the Shares. The Purchaser understands that he or she will not be able to resell the Shares until expiry of the applicable hold period under applicable securities laws in Canada except in accordance with limited exemptions and compliance with other requirements of applicable law, and the Purchaser (and not the Issuer) is responsible for compliance with applicable resale restrictions or hold periods and will comply with all relevant securities laws in connection with any resale of the Shares;

(d) If an individual, the Purchaser has attained the age of majority and has the legal capacity and competence to execute this Subscription Agreement and to take all actions required pursuant hereto;

(e) If the Purchaser is not an individual, the Purchaser has not been created solely or primarily to use exemptions from the registration and prospectus exemptions under applicable securities laws and has a pre-existing purpose other than to use such exemptions;

(f) If a corporation or body corporate, partnership, unincorporated association or other entity, the

Purchaser is duly incorporated and validly subsisting and has the legal capacity and authority to execute this Subscription Agreement and to take all action required pursuant hereto and all necessary approvals by its directors, unit holders and members, or otherwise, have been given to authorize it to execute this Subscription Agreement and to take all actions required pursuant hereto;

(g) The Purchaser is a resident of Ontario and therefore a "resident" of Canada as that term is defined in the *Income Tax Act* (Canada);

(h) No advice was given by, or sought by the undersigned from, the Issuer or any of its officers, directors, employees or agents, as to the merits of an investment in Shares of the Issuer;

(i) The Purchaser is purchasing the Shares as principal and no other person, corporation, firm or other organization will have a beneficial interest in the Shares, except if the Purchaser is a managed account as defined in NI 45-106;

(j) No person has made the Purchaser any written or oral representations:

  i. that any person will resell or repurchase the Shares;

  ii. that any person will refund the subscription price of Shares;

  iii. as to the future price or value of Shares; or

  iv. that the Issuer or the Shares will be listed and posted for trading on a stock exchange or that application has been or will be made to list and post the Shares for trading on a stock exchange;

(k) The Purchaser is familiar with the aims and objectives of the Issuer and has been informed of the nature of its activities;

(l) The Purchaser has been informed of the proposed use of the proceeds of the distribution of this offering of the Shares;

(m) Other than the Offering Memorandum, the Purchaser has not received and has not been provided with documents that may be construed as an "offering memorandum" under applicable securities laws in Canada and that the decision to sign the Subscription Agreement and purchase the Shares has not been based upon any verbal or written representation as to fact or otherwise made by or on behalf of the Issuer except as set forth in the Offering Memorandum. The Purchaser further acknowledges and agrees that the Purchaser has read and understood the Offering Memorandum and has had an opportunity to ask and have answered questions with respect to the Issuer and the proposed use of proceeds and the subscription hereby made;

(n) Neither the Issuer nor any director of the Issuer has made representation about the present or future value of the Shares, and in completing this subscription for Shares he or it may rely solely on the representations directly set out in this Subscription Agreement;

(o) The Purchaser agrees that it is solely responsible for obtaining such legal, tax and other advice as the Purchaser considers appropriate in connection with the execution, delivery and performance of the Subscription Agreement and the transactions contemplated hereunder, and regarding the purchase and resale of the Shares under applicable securities law;

(p) The entering into of this Subscription Agreement and the transactions contemplated hereby will not result in the violation of any of the terms and provisions of any law applicable to, or the constating documents of, the Purchaser or of any agreement, written or oral, to which the Purchaser may be a party or by which the Purchaser is or may be bound;

(q) This Subscription Agreement is covered by the Laws of the Province of Ontario;

(r) The Purchaser agrees to execute and deliver, at the request of the Issuer, all such further questionnaires, documents, instruments, deeds and assurances and to carry out such acts and things as may be necessary or desirable for the purpose of giving effect to, perfecting or better evidencing any of the matters contemplated herein, or complying with the requirements of any securities regulator;

(s) This Subscription Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document, and may be delivered by facsimile transmission or email attachment. All counterparts will be construed together and will constitute one and the same agreement; and

(t) This Subscription Agreement has been duly executed and delivered by the Purchaser and constitutes a valid obligation for the Purchaser legally binding and enforceable upon the Purchaser and their successors, assigns, or legal representatives in accordance with its terms.

By executing this Subscription Agreement, the Purchaser hereby consents to the collection, use and disclosure of the personal information provided herein and other personal information provided by the Purchaser or collected by the Issuer as reasonably necessary in connection with the Purchaser's subscription for the Shares (collectively, "personal information") as follows: (a)the Issuer may use personal information and disclose personal information to intermediaries such as the Issuer's legal counsel for the purposes of determining the Purchaser's eligibility to invest in the Shares and for managing and administering the Purchaser's investment in the Shares; (b)if the Purchaser purchased securities through a registered dealer, the Issuer may disclose and collect such personal information relating to the Purchaser's holding of the Shares to and from the dealer; (c) the Issuer may use the Purchaser's social insurance number for income reporting purposes in accordance with applicable law; (d) the Issuer, its agents and advisors, may each collect, use and disclose personal information for the purposes of meeting legal, regulatory, self-regulatory, security and audit requirements (including any applicable tax, securities, money laundering or anti-terrorism legislation, rules or regulations) and as otherwise permitted or required by law, which disclosures may include disclosures to tax, securities or other regulatory or self-regulatory authorities in Canada and/or in foreign jurisdictions, if applicable, in connection with the regulatory oversight mandate of such authorities; (e) the Issuer and its agents and advisors may use personal information and disclose personal information to parties connected with the proposed or actual transfer, sale, assignment, merger or amalgamation of the Issuer or its business or assets or similar transactions, for the purpose of permitting such parties to evaluate and/or proceed with and complete such transaction.

As the Purchaser is resident in and subject to the applicable securities legislation of Ontario, the Purchaser acknowledges: (i) the delivery to the Ontario Securities Commission of the Purchaser's full name, residential address and telephone number, the number and type of securities purchased by the Purchaser, the total purchase price, the exemption relied on, and the date of distribution, (ii) that such information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation, (iii) that such information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and (iv) that the Administrative Support Clerk, at the Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8,telephone (416) 593-3684, can be contacted to answer questions about the Ontario Securities Commission's indirect collection of such information. The Purchaser hereby authorizes the indirect collection of such information by the Ontario Securities Commission.

Dated at______________________, _______ this _____ day of ___________________, 201__.

________________________________	________________________________
Witness to Signature(s) of Purchaser	Signature of Purchaser
________________________________	________________________________
Name of Witness (please print)	Name of Purchaser (please print)
IF APPLICABLE:	________________________________
	Address of Purchaser
$_____________ Cash	________________________________
$_____________ In-Kind	
	________________________________
$_____________ Purchase	Social Insurance Number
$_____________ **Total**	
________________________________	
Account Number RRSP/RRIF/LIF/LRIF/LIRA/TFSA (circle one)	Telephone (work):________________
	Telephone (home):________________
	Fax:______________________________
	Email Address:___________________
	________________________________
	Name of Agent Firm
	________________________________
	Name of Representative

For Completion by the Issuer:

This subscription is accepted at__________, Ontario by the Issuer and the Issuer hereby acknowledges receipt of the Subscription Price for _____________ Shares this _________day of ____________, 201___.

MONEY GATE MORTGAGE INVESTMENT CORPORATION

*Per:*___________________________________

Authorized Signing Officer, Morteza Katebian

SCHEDULE A - ACCREDITED INVESTOR OR MINIMUM $150,000 INVESTMENT SUBSCRIBER CERTIFICATE

Reference is made to the Subscription Agreement executed by the undersigned (referred to herein as the "Purchaser") dated as of the date hereof (the "Subscription Agreement"). Upon execution of this Subscriber Certificate by the Purchaser, this Subscriber Certificate shall be incorporated into and form a part of the Subscription Agreement. Terms not otherwise defined herein have the meanings attributed to them in the Subscription Agreement and in National Instrument 45-106 Prospectus and Registration Exemptions ("NI 45-106"). Reference should be made directly to NI 45-106 and related securities regulations by Purchaser for defined terms and otherwise to ensure accuracy.

In connection with the purchase of Class A Preferred Shares in the capital of the Issuer (the "Shares") by the Purchaser, the Purchaser represents, warrants and covenants and certifies to the Issuer and acknowledges that the Issuer is relying thereon that:

A. The Purchaser is:

(Please initial the appropriate line disclosing which capital raising exemption applies to you):

______(a) acquiring Shares at an acquisition cost to the Purchaser of not less than $150,000to be paid in cash on the Closing Date, or

______(b) and will be at the Closing Date, an "accredited investor" as such term is defined in NI 45-106, and falls within the categories set out below.

B. If the Purchaser initialed and selected that it is an "accredited investor" as such term is defined in NI45-106, it falls within the following categories:

(Please initial the appropriate line disclosing your category of accredited investor):

______(i) a Canadian financial institution, or a Schedule III bank;

______(ii) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);

______(iii) a subsidiary of any person referred to in paragraphs (i) or (ii), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

______(iv) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador);

______(v) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (iv);

______(vi) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

______(vii) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comite de gestion de la taxe scolaire de l'ile de Montreal or an intermunicipal management board in Quebec;

______(viii) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any instrumentality or agency thereof;

______(ix) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission or similar regulatory authority of a jurisdiction of Canada;

______(x) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds $1,000,000;

______(xi) an individual whose net income before taxes exceeded $200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded $300,000 in each of the 2 most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;

______(xii) an individual who, either alone or with a spouse, has net assets of at least $5,000,000;

______(xiii) a person, other than an individual or investment fund, that has net assets of at least $ 5,000,000 as shown on its most recently prepared financial statements;

______(xiv) an investment fund that distributes or has distributed its securities only to;

(a) a person that is or was an accredited investor at the time of the distribution;

(b) a person that acquires or acquired securities in the circumstances referred to in section 2.10 (minimum amount invested) and 2.19 (additional investment in investment fund) of NI 45- 106; or

(c) a person described in paragraph (a) or (b) that acquires or acquired securities under section 2.18 of NI 45-106;

______(xv) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;

______(xvi) a trust company or trust corporation registered or authorized to carry on business under the Trust and Loan Companies Act (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

______(xvii) a person acting on behalf of a fully managed account managed by that person, if that person:

(a) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; and

(b) in Ontario, is purchasing a security that is not a security of an investment fund;

______(xviii) a registered charity under the Income Tax Act (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

______(xix) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (i) to (iv) or paragraph (ix) in form and function;

______(xx) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

______(xxi) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser, or;

______(xxii) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as:

(a) an accredited investor; or
(b) an exempt purchaser in Alberta or British Columbia after NI 45-106 comes into force.

The undersigned certifies that the initialed category of accredited investor above in this Schedule applies to the undersigned.

______________________________	______________________________
Signature of Witness	Signature of Purchaser
______________________________	______________________________
Print Name of Witness	Print Name of Purchaser

EXHIBIT 2- SCHEDULE B ENROLMENT FORM FOR DIVIDEND REINVESTMENT PLAN

TO: MONEY GATE MORTGAGE INVESTMENT CORPORATION (the "Corporation")

By signing this form, the undersigned requests enrolment in the Corporation's Dividend Reinvestment Plan to have all dividends reinvested in additional Class A Preferred Shares in the capital of the Corporation. The undersigned acknowledges having received and read a copy of the Corporation's policy regarding the Dividend Reinvestment Plan and agrees that participation in the Plan will be subject to the disclosure regarding same set out in the said offering memorandum. The undersigned also acknowledges that this authorization to enroll Class A Preferred Shares will remain in effect until the undersigned notifies the Corporation in writing in accordance with the applicable provisions of said Plan.

DATE: ____________________

Shareholder Signature:	Name in which the Corporation's Class A Preferred Shares are registered:
____________________	____________________
	Please Print
Telephone Numbers:	Address:
Residence: ____________________	____________________
Work: ____________________	____________________
	____________________

Completing and Returning the Form

Please print clearly. When a registered shareholder has completed this enrolment form, it should be returned to the Corporation at the following address:

MONEY GATE MORTGAGE INVESTMENT CORPORATION
122 Kirk Drive
Thornhill,Ontario, L3T 3L4

MONEY GATE
MORTGAGE INVESTMENT CORP.

Enrolment Form for Direct Deposit

By signing this form, the undersigned agrees to have dividends accrued on Class A Preferred Shares of MONEY GATE MORTGAGE INVESTMENT CORPORATION (Money Gate) directly deposited to the bank account specified below.

This authorization shall remain in effect until Money Gate has received written notification of its change or termination. This notification must be received at least ten (10) business days before the next scheduled deposit at:

MONEY GATE MORTGAGE INVESTMENT CORPORATION
122 Kirk Drive
Thornhill, Ontario, L3T 3L4

Dividends will continue to be paid on a monthly basis.

Investor Information (Please Print Clearly)

Name(s)____

Address____

Phone/ Email______________________________________

These services are for (check one) __Personal __Business

Bank Account Information (Please attach "Void" cheque)

Financial Institution Number	Branch/Transit Number	Account Number

Financial Institution Name	Branch Address
Signature of account holder	Signature of joint account holder (if applicable)
Name (please print)	Name (please print)
Date	Date

CONSENT

TO: MONEY GATE MORTGAGE INVESTMENT CORPORATION

The undersigned hereby acknowledges and consents to the collection, use and disclosure of the personal information provided herein and other personal information provided by the Purchaser or collected by the Issuer as reasonably necessary in connection with the Purchaser's purchase of shares in the capital of MONEY GATE MORTGAGE INVESTMENT CORPORATION(collectively, "personal information") as follows: (a) the Issuer may use personal information and disclose personal information to intermediaries such as the Issuer's legal counsel for the purposes of determining the Purchaser's eligibility to invest in the Shares and for managing and administering the Purchaser's investment in the Shares; (b) if the Purchaser purchased securities through a registered dealer, the Issuer may disclose and collect such personal information relating to the Purchaser's holding of the Shares to and from the dealer; (c) the Issuer may use the Purchaser's social insurance number for income reporting purposes in accordance with applicable law; (d) the Issuer, its agents and advisors, may each collect, use and disclose personal information for the purposes of meeting legal, regulatory, self-regulatory, security and audit requirements (including any applicable tax, securities, money laundering or anti-terrorism legislation, rules or regulations) and as otherwise permitted or required by law, which disclosures may include disclosures to tax, securities or other regulatory or self-regulatory authorities in Canada and/or in foreign jurisdictions, if applicable, in connection with the regulatory oversight mandate of such authorities; (e) the Issuer and its agents and advisors may use personal information and disclose personal information to parties connected with the proposed or actual transfer, sale, assignment, merger or amalgamation of the Issuer or its business or assets or similar transactions, for the purpose of permitting such parties to evaluate and/or proceed with and complete such transaction.

As the Purchaser is resident in and subject to the applicable securities legislation of Ontario, the Purchaser acknowledges: (i) the delivery to the Ontario Securities Commission of the Purchaser's full name, residential address and telephone number, the number and type of securities purchased by the Purchaser, the total purchase price, the exemption relied on, and the date of distribution, (ii) that such information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation, (iii) that such information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and (iv) that the Administrative Support Clerk, at the Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, telephone (416) 593-3684, can be contacted to answer questions about the Ontario Securities Commission's indirect collection of such information. The Purchaser hereby authorizes the indirect collection of such information by the Ontario Securities Commission.

Dated as of the ______ day of ____________, 201__

____
Signature

____
Name of Shareholder

This is Exhibit "E" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

Ontario Securities Commission | Commission des valeurs mobilières de l'Ontario | 22nd Floor 20 Queen Street West Toronto ON M5H 3S8 | 22e étage 20, rue queen ouest Toronto ON M5H 3S8

IN THE MATTER OF THE *SECURITIES ACT*,
RSO 1990, c S.5,

- AND -

MONEY GATE MORTGAGE INVESTMENT CORPORATION, MONEY GATE CORP., MORTEZA KATEBIAN and PAYAM KATEBIAN

TEMPORARY ORDER
(Subsections 127(1) and (5))

WHEREAS:

1. it appears to the Ontario Securities Commission (the "Commission") that:

   (a) Money Gate Mortgage Investment Corporation ("MGMIC") is an Ontario corporation that operates as a mortgage investment entity, which raises capital from investors and invests it in a pool of mortgages. Investors receive preferred shares from MGMIC in return for their investments;

   (b) Money Gate Corp. ("MGC") is a Canadian corporation registered in Ontario that operates as a mortgage brokerage and as a mortgage administrator for MGMIC, finding and servicing the mortgages MGMIC lends on. It receives a fee from MGMIC for performing these services;

   (c) Morteza (Ben) Katebian ("Ben") is a director and officer of MGMIC and the sole director of MGC;

(d) Payam Katebian ("Payam") is a director and officer of MGMIC and is the son of Ben;

(e) MGMIC, MGC, Ben and Payam (collectively, the "Respondents") have never been registered with the Commission in any capacity;

(f) MGMIC and MGC are not reporting issuers in Ontario and have never filed a prospectus in Ontario;

(g) MGMIC has prepared five offering memoranda dated August 1, 2014, May 5, 2015, May 13, 2016, May 30, 2016 and January 31, 2017 (collectively the "OMs") in connection with the sale of its preferred shares to investors;

(h) the Respondents may have failed to comply with their obligation to deliver to the Commission a copy of each of the OMs within 10 days of the date of the distribution, contrary to section 5.4 of OSC Rule 45-501 - *Ontario Prospectus and Registration Exemptions*;

(i) the Respondents may have engaged in the business of trading in securities without the necessary registration or an applicable exemption from the registration requirement, contrary to section 25 of the *Securities Act*, RSO 1990, c S.5 (the "Act");

(j) the Respondents may have engaged in trading in securities that would constitute a distribution without a prospectus or an applicable exemption from the prospectus requirement, contrary to section 53 of the Act;

(k) the Respondents may have made a statement in a document required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading, contrary to section 122(1)(b) of the Act;

(l) the Respondents may have engaged or participated in an act, practice or course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on investors, contrary to section 126.1(1)(b) of the Act;

(m) the Respondents may have acted contrary to the public interest; and

(n) Staff of the Commission are conducting an investigation into the conduct described above;

2. Staff has filed the affidavit of Louisa Fiorini, sworn April 4, 2017, in support of the allegations and the Respondents are in the process of preparing responding material;

3. the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in subsection 127(5) of the Act; and

4. the Commission is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED that:

1. pursuant to paragraph 2 of subsection 127(1) of the Act, all trading in securities of MGMIC shall cease;

2. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents, with the exception that Payam and Ben may rely upon any exemptions contained in Ontario securities law in order to purchase securities solely in their personal capacities;

3. pursuant to subsection 127(6) of the Act, this Order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission; and

4. this proceeding is adjourned until May 11, 2017, at 11:30 a.m., at which time the Commission will hold a hearing to consider whether, pursuant to subsections 127(7) and/or 127(8) of the Act, it is in the public interest for the Commission to extend this Order until the conclusion of the hearing or until such further time as considered necessary by the Commission, and to make such further orders as the Commission considers appropriate.

DATED at Toronto this 27th day of April, 2017.

"Timothy Moseley"

Timothy Moseley

"William J. Furlong"

William J. Furlong

"Mark J. Sandler"

Mark J. Sandler

Ontario

Ontario Securities Commission | Commission des valeurs mobilières de l'Ontario | 22nd Floor 20 Queen Street West Toronto ON M5H 3S8 | 22e étage 20, rue queen ouest Toronto ON M5H 3S8

IN THE MATTER OF
MONEY GATE MORTGAGE INVESTMENT CORPORATION,
MONEY GATE CORP., MORTEZA KATEBIAN
and PAYAM KATEBIAN

Timothy Moseley, Vice-Chair and Chair of the Panel

January 11, 2018

ORDER
(Subsection 127(8) *Securities Act*, RSO 1990, c S.5)

WHEREAS on January 11, 2018, the Ontario Securities Commission held a hearing at the offices of the Commission, located at 20 Queen Street West, 17th Floor, Toronto, Ontario, in relation to a motion by Staff of the Commission (**Staff**) for an order that paragraph 1 of the order issued April 27, 2017 in this matter (the **Temporary Order**) and extended until January 12, 2018, be extended until the conclusion of the hearing on the merits regarding the allegations contained in the Statement of Allegations filed by Staff with the Commission on December 19, 2017 and the Notice of Hearing issued by the Commission on December 21, 2017 in respect of that Statement of Allegations (the **Merits Hearing**);

ON READING the materials filed by Staff and hearing the submissions of the representatives for Staff and the respondents, and considering the consent of the respondents to the making of this order;

IT IS ORDERED THAT pursuant to subsection 127(8) of the *Securities Act*, RSO 1990, c S.5, paragraph 1 of the Temporary Order is extended until the conclusion of the Merits Hearing.

"Timothy Moseley"

Timothy Moseley

This is Exhibit "F" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

Gmail

Hamid Sarmadi <hsarmadi@gmail.com>

Money Gate MIC Shareholder Meeting Minutes

1 message

Ben Katebian <b.katebian@moneygate.ca> Mon, Nov 27, 2017 at 4:59 PM
Reply-To: b.katebian@moneygate.ca
To: hsarmadi@gmail.com

MONEY GATE
MORTGAGE INVESTMENT CORP.

Hello 1232501 Ontario Ltd

As you know, on Thursday November 16th, we held our final shareholder meeting of 2017. Thank you for those in attendance for committing the time to join us. For those of you who were unable to attend, we understand our busy lifestyles sometimes don't allow us to be everywhere at once!

As promised, we will be recapping the key points of the meeting for all. Firstly, we want to thank each and everyone for their trust in Money Gate Mortgage Investment Corporation. We know that everyone works hard for their money and it's a good feeling to have your money work hard for you! That being said, we have decided that the best course of action for all stakeholders of Money Gate MIC is to wind down. What does that mean to you? It means, that once approved by the securities commission, we will be redeeming all shareholders who have invested in Money Gate MIC. Within the next several weeks, you will all be receiving a copy of our audited financial statements by Crowe Soberman LLP, Chartered Professional Accountants, with details of our most recent year's profitability. And it was our best year yet!

As we begin the wind down process now, we will no longer be issuing or paying dividends. We apologize for any inconvenience this may cause and we aim to ensure a smooth, timely and efficient process for all shares to be redeemed. You must understand however that we cannot redeem any shares until we have the approval of the securities commission and a variation of their order. We will be working with the securities commission to get approval to redeem all of the shares.

Additionally, a large group of investors have came together as a group with independent counsel and requested to purchase/assign to themselves a portion of our current mortgage portfolio as payment for their redemption. If you are a part of this group or wish to learn more about it please contact myself or Payam to arrange a time to discuss and for us to provide you with the information. If you wish to discuss more about this option of redemption or any other matters, please feel free to contact myself or Payam anytime and we will be happy to answer any questions on our end in addition to providing you the name of the counsel who was retained by the investor group. Once again we truly appreciate each and every one of you and treasure our time working on your behalf. We are not going anywhere throughout this process and will be more than happy to chat or meet with you at anytime!

Sincerely,

Ben Katebian
President, CEO
T: 416 912 1400 ext. 106
E: b.katebian@moneygate.ca

25 Mallard Road, Toronto Ontario M3B 1S4

This is Exhibit "G" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

Ontario

Ontario Securities Commission | Commission des valeurs mobilières de l'Ontario | 22nd Floor 20 Queen Street West Toronto ON M5H 3S8 | 22e étage 20, rue queen ouest Toronto ON M5H 3S8

**IN THE MATTER OF
MONEY GATE MORTGAGE INVESTMENT CORPORATION,
MONEY GATE CORP., MORTEZA KATEBIAN,
and PAYAM KATEBIAN**

STATEMENT OF ALLEGATIONS
(Subsection 127(1) and Section 127.1
of the *Securities Act*, R.S.O. 1990, c. S.5)

A. ORDER SOUGHT

1. Staff of the Enforcement Branch of the Ontario Securities Commission (**Enforcement Staff**) requests that the Commission make the following orders against Morteza (Ben) Katebian (**Ben**), Payam Katebian (**Payam**) (together, the **Principals**), Money Gate Mortgage Investment Corporation (**MGMIC**), and Money Gate Corp. (**MGC**), (together with the Principals, the **Respondents**):

   (a) pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the **Act**), that trading in any securities or derivatives by the Respondents cease permanently or for such period as is specified by the Commission;

   (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, that the acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission;

   (c) pursuant to paragraph 3 of subsection 127(1) of the Act, that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;

   (d) pursuant to paragraph 6 of subsection 127(1) of the Act, that the Principals be reprimanded;

(e) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act that the Principals resign one or more positions that they hold as a director or officer of any issuer, registrant, or investment fund manager;

(f) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, that the Principals be prohibited from becoming or acting as directors or officers of any issuer, registrant, or investment fund manager, permanently or for such period as is specified by the Commission;

(g) pursuant to paragraph 8.5 of subsection 127(1) of the Act that the Respondents be prohibited from becoming or acting as registrants, investment fund managers, or as promoters, permanently or for such period as is specified by the Commission;

(h) pursuant to paragraph 9 of subsection 127(1) of the Act, that each Respondent pay an administrative penalty of not more than $1 million for each failure by the respective Respondent to comply with Ontario securities law;

(i) pursuant to paragraph 10 of subsection 127(1) of the Act, that each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law;

(j) that the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and

(k) such other order as the Commission considers appropriate in the public interest.

B. FACTS

2. Enforcement Staff make the following allegations of fact:

(a) Overview

3. This proceeding involves fraud, misleading and untrue statements in disclosure documents, unregistered trading, and the illegal distribution of securities.

4. Between August 2014 and April 2017 (the **Material Time**), the Respondents raised approximately $11 million from approximately 155 investors through the sale of preferred shares of MGMIC.

5. The Respondents solicited investors in Ontario to purchase securities of MGMIC, which invested in pools of residential and commercial mortgages. Disclosure provided to investors and other relevant documents outlined various business practices and lending policies, which provided safeguards to reduce risks for investors. MGMIC was supposed to abide by these practices and policies in its operation as a mortgage investment entity.

6. In fact, MGMIC was not following these practices and policies and MGMIC was operating a far riskier mortgage investment business than the one represented to investors. Instances where MGMIC failed to comply with stated business practices and lending policies, resulting in increased risk to investors, include the following:

   (a) The Respondents represented that MGMIC's Investment Committee would review transactions involving potential conflicts of interest, when in fact no review was conducted in accordance with the stated practice. As a result, MGMIC made several investments in mortgages on properties with potential conflicts of interest directly or indirectly owned by the Principals and related parties;

   (b) The Respondents represented that MGMIC would limit its exposure to any one asset class by limiting investment in commercial and industrial properties, when in fact MGMIC made significant investments in mortgages on two (2) industrial properties owned indirectly by related parties accounting for over 60% of MGMIC's total mortgage portfolio, well in excess of its stated limitations; and

   (c) The Respondents represented that MGMIC would limit the loan-to-value (**LTV**) ratio on mortgages it invested in, when in fact MGMIC made significant investments in mortgages on several properties owned directly or indirectly by related parties with LTV ratios well in excess of the stated limits.

7. Information that is publicly disclosed by an issuer must be accurate and not misleading or untrue in order to accomplish the goals of Ontario securities law to protect investors from unfair or improper practices and to foster fair and efficient capital markets and

confidence in those markets. Disclosure that intentionally deceives investors about the true nature of a company's operations and use of investors' funds, that prevents investors from making informed investment decisions, and that misrepresents to investors the risk actually posed to their investment thwarts these important objectives.

8. In the course of their conduct, the Respondents failed to comply with the registration and prospectus requirements of Ontario securities law and, in doing so, breached important investor protection provisions. The registration requirements ensure that properly qualified and suitable individuals are permitted to engage in the business of trading in securities, ensuring honest and responsible conduct. Further, the prospectus requirements and available exemptions ensure that investors have appropriate information to enable them to properly assess risks and make fully informed investment decisions.

9. By disseminating documents to investors that contained information that was misleading or untrue and which impermissibly failed to disclose the material risks that the actual operations, practices and policies of MGMIC posed to investors' capital, the Respondents engaged in improper disclosure practices and fraudulent conduct that breached Ontario securities laws and undermined the integrity of Ontario's capital markets.

(b) The Respondents

10. MGMIC was incorporated in the province of Ontario in May 2014. It has a registered address located in Thornhill, Ontario. It is a mortgage investment entity, as such term is defined in CSA Staff Notice 31-323 *Guidance Relating to the Registration Obligations of Mortgage Investment Entities*, and lends capital for pooled residential and commercial mortgages. All of these mortgages are on underlying properties in Ontario.

11. Further, MGMIC represented to investors that it would conduct its affairs to qualify at all times as a mortgage investment corporation (**MIC**), as such term in defined in the *Income Tax Act*, R.S.C., 1985, c. 1, as amended (the **ITA**).

12. MGC was incorporated federally under the laws of Canada and registered extra-provincially in the province of Ontario in August 2007. It has a registered address located in Toronto, Ontario. MGC is licensed by the Financial Services Commission of Ontario (**FSCO**) as a mortgage brokerage and mortgage administrator. It operates as a mortgage

administrator for MGMIC, finding and servicing the mortgages MGMIC lends on. It receives a fee from MGMIC for performing these services.

13. Ben is a director, officer and directing mind of MGMIC. He is the sole director of MGC and he is licensed by FSCO as the principal broker of MGC. He is a resident of Ontario.

14. Payam is a director, officer and a directing mind of MGMIC. He is licensed by FSCO as an agent with MGC. Payam is Ben's son. He is a resident of Ontario.

15. Neither MGMIC nor MGC is a reporting issuer in Ontario and neither has ever filed a preliminary prospectus and prospectus in Ontario. None of the Respondents has ever been registered with the Commission in any capacity.

(c) Conduct at Issue

(i) Unregistered Trading and Illegal Distribution

16. In 2014, the Principals began offering preferred shares in MGMIC to prospective investors. They offered the shares at a price of $1 per share and represented that investors would receive an annualized return of approximately 9% to 10% on their investment. Investors were told that dividends would be paid monthly to each shareholder or could be reinvested in a dividend reinvestment and share purchase program (**DRIP**). The preferred shares of MGMIC are "securities", as defined in subsection 1(1) of the Act.

17. MGMIC prepared five (5) offering memorandums (the **OMs**) in connection with the sale and distribution of its preferred shares to investors. The date of the initial OM is August 1, 2014 and four (4) revised versions followed on May 5, 2015, May 13 and May 30, 2016, and January 31, 2017. These OMs were provided to prospective investors and contained disclosure about the terms of the investment and the business practices and activities of MGMIC, including MGMIC's investment policies, which set out the terms and conditions under which MGMIC made investments.

18. The Principals actively solicited investors, discussing the investment opportunity in MGMIC during meetings with prospective investors, and answering questions that investors had about the opportunity. The Principals also prepared and provided marketing

materials to prospective investors, which set out MGMIC's proposed investment activities and the terms of the investment. Solicitations to investors involved advertising via live presentations, websites, social media postings, and print materials. The Respondents executed formal subscription agreements with investors who purchased shares in MGMIC.

19. By engaging in this conduct, the Respondents traded and engaged in, or held themselves out as engaging in, the business of trading in MGMIC securities, in circumstances where there were no exemptions available under the Act, contrary to section 25 of the Act.

20. None of the Respondents has ever filed a preliminary prospectus and prospectus with the Commission or obtained a receipt to qualify the sale of MGMIC securities, contrary to section 53 of the Act. In distributing MGMIC securities, the Respondents did not properly rely on available exemptions to the prospectus requirements, as set out in National Instrument 45-106 *Prospectus Exemptions*.

(ii) Misleading Statements and Fraudulent Conduct

21. The OMs and marketing materials provided to investors, as well as other relevant documents, contained numerous misleading or untrue statements about (1) the controls and processes governing the business operations of MGMIC, including the process by which it made investment decisions, and (2) the lending parameters, practices and restrictions in place with respect to the investments in MGMIC's mortgage portfolio.

22. Failure by the Respondents to adhere to stated business practices and lending policies, which provided safeguards for investors, placed investors' capital at increased risk.

23. By engaging in the conduct described below, the Respondents perpetrated a fraud on investors by exposing investors' capital to higher risks than those disclosed. In addition, the Respondents made statements to investors in an offering document that were misleading or untrue in a material respect in the circumstances they were made, as follows:

1. Failure to Disclose the True Nature of MGMIC's Operations, Controls and Processes

Failure to Fulfill the Mandate of the MGMIC Credit Committee

24. The Respondents represented to investors that MGMIC only makes investment decisions, which include decisions relating to loans, borrowings, acquisitions and/or dispositions by MGMIC, if recommended by MGC and approved by the Credit Committee.

25. The mandate of the Credit Committee is to review all proposals and to approve or reject such proposals. According to the OMs, the Credit Committee was supposed to meet as required and no less than on a quarterly basis, to provide strategic guidance and direction.

26. However, the Credit Committee did not meet as required and did not review and approve many of the investments made by MGMIC, contrary to the disclosure provided to investors. The function of the Credit Committee was to provide oversight and supervision over MGMIC's investment decisions, when in reality this safeguard was absent.

Failure to Fulfill the Mandate of the MGMIC Investment Committee

27. The Respondents represented to investors that MGMIC established an Investment Committee to, among other things, (1) adjudicate and advise on transactions involving potential conflicts of interest and (2) approve or reject investments in mortgages which may adversely affect MGMIC's status as a MIC.

28. However, contrary to the disclosure provided to investors, the members of the Investment Committee did not appropriately review such transactions. The function of the Investment Committee was to provide oversight and supervision over MGMIC's lending practices, when in reality this safeguard was absent.

29. As a result, MGMIC invested in a number of mortgages involving potential conflicts of interest on properties owned, directly or indirectly, by the Principals and related parties.

MGMIC Did Not Qualify as a Mortgage Investment Corporation (MIC)

30. Throughout the Material Time, the Respondents represented to investors that MGMIC conducted its affairs to qualify at all times as a MIC, as defined in the ITA.

31. As a MIC, MGMIC would be subject to "special rules" under the ITA that would permit MGMIC to be operated, in effect, as a tax-free "flow through" conduit of its profit to shareholders. This meant that MGMIC would pay out substantially all of its net income and realized gains and would not be liable to pay income tax in any year. Further, as long as MGMIC qualified as a MIC, shares of MGMIC would be qualified investments for the purpose of registered retirement savings plans, deferred profit sharing plans, registered retirement income funds and registered education savings plans.

32. However, MGMIC did not qualify as a MIC from its inception until approximately mid-2016. In particular, notes to the fiscal 2015 and 2016 audited financial statements state that MGMIC did not meet the criteria to qualify as a MIC. Further, the 2016 audited financial statements state that MGMIC was in a taxable position for the relevant year.

33. No revisions to the OMs were made to reflect the fact that MGMIC did not qualify as a MIC and investors were never otherwise adequately informed. MGMIC's inability to maintain its tax status as a MIC jeopardized its ability to pay returns to shareholders and potentially meant adverse tax consequences for investors.

Undisclosed Control of MGMIC

34. Until May 30, 2016, the Respondents represented to investors that the Principals, along with one other individual, BG, were the directors and senior officers of MGMIC. Beginning May 30, 2016, the revised OMs disclose that the Principals were the sole directors and senior officers of MGMIC after BG left the company in April 2016.

35. However, in March 2016 Ben sent an email to BG stating that control of MGMIC rested with himself and two other individuals. The control and direction of MGMIC by these two individuals was not disclosed to investors in the previous or subsequent revised OMs. Further, MGMIC invested in mortgages on properties with potential conflicts of interest owned, directly or indirectly, by these two individuals, in contravention of its investment policies.

36. No revision to the OMs was made to reflect this undisclosed control over MGMIC and investors were never otherwise informed. No information was provided to investors about the management experience or qualifications of the other two individuals with whom

actual control and direction over MGMIC rested, which restricted investors' ability to make a fully informed decision about the potential risks of investing in MGMIC.

2. Failure to Abide by MGMIC's Lending Parameters, Policies and Restrictions

Undisclosed Investment in Third Mortgages

37. Until January 2017, the Respondents represented to investors that MGMIC would invest in only certain types of mortgages, including builders' mortgages, first and second mortgages, development and construction mortgages, and term financing mortgages on income producing properties. The OMs stated that approximately 85% of its investments would be secured by second mortgages with the balance secured by first mortgages.

38. However, in April 2015 MGMIC made an investment in a third mortgage in the amount of $500,000 with respect to a property owned by one of the Principals located in Richmond Hill, Ontario (the **Richmond Hill Property**). The Respondents applied investors' funds in a manner wholly inconsistent with the disclosure provided in the OMs by investing in a higher-risk third mortgage on a property owned by a related party.

Investment in Mortgages in Excess of Stated Size and Concentration

39. Until January 2017, the Respondents represented to investors that a "typical loan size" would range from $20,000 to $2 million with respect to the mortgages in MGMIC's portfolio. Similarly, marketing materials distributed by MGMIC stated that the mortgages provided by MGMIC would range from $20,000 to $1 million in value.

40. Further, the Respondents represented to investors that MGMIC established a policy that limited its credit exposure to any one borrowing group. To achieve this, the OMs provide that a maximum of 35% of MGMIC's assets may consist of mortgages on commercial and industrial properties and that a minimum of 50% of MGMIC's assets will consist of mortgages on residential properties.

41. However, contrary to the representations made to investors:

- In or around February 2016, MGMIC lent a total of approximately $2.4 million on an industrial property owned indirectly by a related party located in Timmins, Ontario (the **Timmins Property**).

- In June and July 2016, MGMIC lent a total of approximately $4 million on an industrial property owned indirectly by a related party located in Temiskaming Shores, Ontario (the **Temiskaming Property**).

42. These investments were in excess of the typical loan ranges disclosed to investors. Further, these investments accounted for 62% of MGMIC's total mortgage portfolio[1] and were significantly in excess of the stated maximum of 35% of MGMIC's assets that may consist of industrial or commercial properties. The Respondents applied investors' funds in a manner wholly inconsistent with the disclosure provided in the OMs by failing to limit its credit exposure and overexposing investors' funds to certain asset classes.

Lending Contrary to Terms of Commitment

43. In August 2015, MGMIC lent on a mortgage to a related party contrary to the terms of its own mortgage commitment on a condominium unit located in Toronto, Ontario (the **Lakeshore Property**). The commitment letter for this property required an appraisal of reflecting a minimum value of $1.65 million. The appraisal attributed a value of only $1.55 million. Regardless, MGMIC lent the full amount of the mortgage commitment.

44. In 2016, the terms of the mortgage commitment letters for the Temiskaming and Timmins Properties required marketability timelines of 60 to 90 days. The appraisals for these properties gave marketability timelines of 5 years, which reflected decreased marketability and therefore decreased liquidity for the properties. Regardless, MGMIC granted the mortgages on both properties.

45. MGMIC failed to follow its own internal lending parameters by not complying with the terms of its mortgage commitment documents. As a result, MGMIC created higher-risk lending circumstances in which there was insufficient value in the Lakeshore Property and decreased marketability and liquidity in the Temiskaming and Timmins Properties.

[1] As at March 2017

Investment in Mortgages in Excess of Appraised Values

46. The Respondents represented to investors that MGMIC attempted to minimize risk by being prudent in both its credit decisions and in assessing the value of the underlying real property offered as security. Further, the Respondents stated that MGMIC restricted its lending to mortgages where the maximum loan-to-value (**LTV**) ratio was 85% on second mortgages and 90% on bundled first and second mortgages.

47. However, the Respondents applied investors' funds in a manner wholly inconsistent with the disclosure provided in the OMs by investing in high-risk assets where the LTV ratio exceeded the stated maximums in the following instances:

- In April 2015, a third mortgage in the amount of $500,000 granted by MGMIC on the Richmond Hill Property caused the LTV ratio to exceed 100%. The appraisal on the Richmond Hill Property attributed a value of $2,150,000 while the addition of the $500,000 mortgage brought the total of the mortgages on the property to $2,284,566.

- As additional collateral for its mortgage on the Richmond Hill Property, MGMIC took security on a property owned by Ben located in Vaughan, Ontario (the **Vaughan Property**). However, the Vaughan Property provided no additional collateral since the property was funded by mortgages totalling $1,750,729, which exceeded its appraised value.

48. Further, the mortgages on the Temiskaming and Timmins Properties also had LTV ratios in excess of the stated maximum. Although the Respondents caused appraisals to be done on the properties prior to granting the mortgages, the appraisals significantly overvalued both the Temiskaming and the Timmins Properties.

49. With respect to monitoring LTV ratios, the Respondents represented to investors that MGC would establish a database of comparative properties with similar characteristics to assess the LTV ratio of the portfolio as part of its ongoing risk management practices. Contrary to the disclosure provided to investors, this database was never established.

50. By engaging in the conduct described above, individually and collectively, each of the Respondents breached subsection 126.1(b) of the Act by directly or indirectly engaging

in or participating in an act, practice or course of conduct relating to securities which they each knew, or reasonably ought to have known, would perpetrate a fraud on investors.

51. Further, each of the Respondents breached subsection 122(1)(b) of the Act by making statements in an offering document that, in a material respect and in the circumstances they were made, were misleading or untrue.

C. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

52. Enforcement Staff alleges the following breaches of Ontario securities law and/or conduct contrary to the public interest:

(a) The Respondents traded and engaged in, or held themselves out as engaging in, the business of trading in securities without being registered to do so, and where no exemption to the registration requirements of Ontario securities law was available, contrary to subsection 25(1) of the Act;

(b) The Respondents distributed securities where no preliminary prospectus and prospectus was issued or receipted under the Act, and where exemptions to the prospectus requirements of Ontario securities law were improperly relied upon, contrary to subsection 53(1) of the Act;

(c) The Respondents made statements in a document required to be furnished or filed under Ontario securities law that, in a material respect at the time and in light of the circumstances under which it is made, are misleading or untrue or do not state a fact that is required to be stated or that is necessary to make the statements not misleading, contrary to subsection 122(1)(b) of the Act;

(d) The Respondents engaged in or participated in acts, practices, or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to subsection 126.1(b) of the Act; and

(e) The Principals, as directors and officers of the corporate Respondents, authorized, permitted or acquiesced in the breaches by the corporate Respondents set out above, and, in doing so, are deemed to have not complied with Ontario securities law, pursuant to section 129.2 of the Act.

53. Enforcement Staff reserve the right to make such other allegations as Enforcement Staff may advise and the Commission may permit.

DATED at Toronto, December 19, 2017.

Christie Johnson
Litigation Counsel
Enforcement Branch
Tel: (416) 593-8296
Fax: (416) 204-8956

Lawyer for Staff of the
Ontario Securities Commission

This is Exhibit "H" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, c. S.5, AS AMENDED

-and-

IN THE MATTER OF
MONEY GATE MORTGAGE INVESTMENT CORPORATION,
MONEY GATE CORP., MORTEZA KATEBIAN
and PAYAM KATEBIAN

AFFIDAVIT OF LOUISA FIORINI
Sworn April 4, 2017

I, Louisa Fiorini, of the City of Vaughan, in the province of Ontario, MAKE OATH AND SAY:

A. BACKGROUND

1. I am a Senior Investigator in the Enforcement Branch of the Ontario Securities Commission (the "Commission") and I have been assigned to investigate this matter. As such, I have personal knowledge of the matters set out in this affidavit. Any matters not within my personal knowledge are based on information I have received from others who are identified herein and I believe that information to be true.

2. I have received information regarding trading in the securities of Money Gate Mortgage Investment Corporation ("MGMIC") by Morteza (Ben) Katebian ("Ben") and Payam Katebian ("Payam"). I have also received information regarding the investment of investor funds raised by MGMIC into mortgages administered by Money Gate Corp. ("MGC"). A summary of this information is set out below.

B. THE RESPONDENTS

3. MGMIC was incorporated in the province of Ontario on May 5, 2014. It has a registered address located in Thornhill, Ontario. A copy of the Corporation Profile Report for MGMIC is attached as **Exhibit A**.

4. MGC was incorporated federally under the laws of Canada and registered extra-provincially in the province of Ontario on August 20, 2007. It has a registered address located in Toronto, Ontario. Copies of the Federal Corporation Information and the Ontario Corporation Profile Report for MGC are attached as **Exhibit B**. MGC is licensed by the Financial Services Commission of Ontario ("FSCO") as a mortgage brokerage and mortgage administrator. Copies of the FSCO licensing records for MGC are attached as **Exhibit C**.

5. Ben is a resident of Ontario. He is a director and officer of MGMIC, and he is the sole director of MGC. He is licensed by FSCO as the principal broker of MGC. A copy of the FSCO licensing record for Ben is attached as **Exhibit D**.

6. Payam is a resident of Ontario and is a director and officer of MGMIC. He is licensed by FSCO as an agent with MGC. A copy of the FSCO licensing record for Payam is attached as **Exhibit E**. Payam is the son of Ben.

7. MGMIC and MGC are not reporting issuers in Ontario and have never filed a prospectus in Ontario. Copies of the section 139 certificates issued by the Corporate Finance branch of the Commission in this regard are attached as **Exhibit F**. Copies of the filings referred to in the section 139 certificate for MGMIC are attached as separate exhibits below.

8. MGMIC, MGC, Ben and Payam have never been registered with the Commission in any capacity. Copies of the section 139 certificates issued by the Compliance and Registrant Regulation Branch of the Commission with respect to each of them are attached as **Exhibit G**.

C. INVESTIGATION TO DATE

(i) Initial Complaint

9. On March 3, 2015, the Inquiries and Contact Centre of the Commission received an anonymous complaint alleging that MGMIC was distributing preferred shares to the public without being registered. Thereafter, Staff commenced an investigation into this matter.

10. During its initial investigation, Staff developed concerns that MGMIC may be in contravention of the prospectus and registration requirements of Ontario securities law. As a result, Staff requested on July 30, 2015 that MGMIC cease all trading of MGMIC shares until Staff's investigation was complete. A copy of Staff's letter to MGMIC dated July 30, 2015 is attached as **Exhibit H**.

11. MGMIC initially agreed to cease trading in MGMIC shares. A copy of Ben's email to Staff to this effect dated August 5, 2015 is attached as **Exhibit I**. However, on September 17, 2015, MGMIC advised Staff that it would be "continuing its business operations in the regular course … which would include trading in MGMIC shares and issuing new ones." A copy of MGMIC's letter to Staff dated September 17, 2015 is attached as **Exhibit J**.

(ii) The MGMIC Investment

12. MGMIC operates as a mortgage investment entity, which raises capital from investors and invests it in a pool of mortgages. Investors receive preferred shares from MGMIC in return for their investments.

13. MGC operates as a mortgage brokerage, originating mortgages by matching borrowers and lenders. It also operates as a mortgage administrator for MGMIC, finding and servicing the mortgages MGMIC lends on. It receives a fee from MGMIC for performing these services.

14. MGMIC has prepared five offering memorandums (collectively the "OMs") in connection with the sale of its preferred shares to investors: an initial OM dated August 1, 2014

(the "Initial OM"), a revised OM dated May 5, 2015 (the "First Revised OM"), two further revised OMs dated May 13 and May 30, 2016 (the "Second Revised OM" and "Third Revised OM", respectively), and the most recent revised OM dated January 31, 2017 (the "Last Revised OM"), which was filed with the Commission on March 24, 2017. A copy of the Initial OM is attached as **Exhibit K**, the First Revised OM is attached as **Exhibit L**, the Second Revised OM is attached as **Exhibit M**, the Third Revised OM is attached as **Exhibit N** and the Last Revised OM is attached as **Exhibit O**.

15. According to the OMs, MGMIC's primary business is "earning income through investing in residential and commercial loans to borrowers on real property situated in Canada." MGMIC intends to qualify as a Mortgage Investment Corporation under the *Income Tax Act*, R.S.C. 1985, c.1, and operates as a tax free "flow through" conduit of profit to its shareholders.

16. The OMs list MGMIC's investment policies and provide that all of the investments made by MGMIC will comply with those policies. The OMs also provide details on the nature of the mortgages invested in by MGMIC, including the type, size and position of the mortgages. These terms are discussed further below.

17. Since inception, MGMIC has invested in a number of mortgages held in the name of MGMIC or MGC. Attached as **Exhibit P** is a list provided by Payam to Staff on March 9, 2017 which lists all of MGMIC's mortgage investments to date. Based on this list, MGMIC currently holds a total of $10,140,255 in undischarged mortgages on 16 properties. It has also previously held mortgages on 14 properties that have been discharged.

(iii) Information Provided to Investors

18. I attended a voluntary interview of Ben on July 26 and 27, 2016 (the "Ben Interview") and asked questions of Ben. During the Ben Interview, Ben told Staff that he or Payam met with potential investors prior to their investments. They would give investors the OMs to study and answer any questions investors had.

19. I also attended a voluntary interview of Payam on September 13, 2016 (the "Payam Interview") and asked questions of Payam. During the Payam Interview, Payam told Staff that he prepared a document titled Lending Parameters which set out MGMIC's lending criteria for the mortgages it invested in (the "Lending Parameters"). Payam stated that he provided the Lending Parameters to investors if they asked what kind of investments MGMIC made. A copy of the Lending Parameters is attached as **Exhibit Q**.

20. During the Payam Interview, Payam also told Staff that he dealt with investors after they had decided to invest. He would go over the OMs or subscription agreement with investors if they asked, and would witness their signature on the subscription agreement.

21. In addition to the information provided to investors by Ben and Payam, MGMIC has a website which provides information about the investment. This information includes that "Participants in the MIC" can purchase preferred shares for $1 per share, the minimum investment is $50,000, and shareholders "earn a steady annualized ROI of 9-10%". A copy of a screen capture of the website obtained on July 6, 2016 is attached as **Exhibit R.**

(iv) Staff Concerns Regarding Filing of OMs

22. The Initial OM does not appear to have been delivered to the Commission as required by section 5.4 of OSC Rule 45-501 - *Ontario Prospectus and Registration Exemptions* ("OSC Rule 45-501").

23. Although the other OMs were delivered to the Commission, at least one of them appears to have been delivered more than 10 days after the initial distribution in which it was provided to investors, contrary to section 5.4 of OSC Rule 45-501. MGMIC made distributions to investors in May 2015 but did not deliver the First Revised OM dated May 5, 2015 to the Commission until September 30, 2015, over 4 months later.

(v) Staff Concerns Regarding Possible Trading Without Registration

24. MGMIC has filed several Reports of Exempt Distribution with the Commission with respect to distributions of its preferred shares, beginning in April 2015 and continuing until

March 2017. Attached as **Exhibit S** are copies of all of the Reports of Exempt Distribution filed by MGMIC with the Commission to date.

25. I have also received investor lists from MGMIC which list some additional investments that are not included in the Reports of Exempt Distribution. A copy of the investor list provided by MGMIC to Staff on April 17, 2015 is attached as **Exhibit T**, a copy of the updated list provided to Staff on June 28, 2016 is attached as **Exhibit U**, and a copy of the further updated list provided to Staff on December 16, 2016 is attached as **Exhibit V**.

26. Based on the Reports of Exempt Distribution and the investor lists provided by MGMIC, it appears that MGMIC has been continuously raising capital since August 2014. During the period from August 12, 2014 to March 23, 2017, MGMIC raised approximately $10,200,000 from approximately 140 investors through the sale of preferred shares of MGMIC. All but two of those investors are residents of Ontario.

27. The distribution of MGMIC preferred shares has been conducted solely by MGMIC. Although the Third Revised OM disclosed that MGMIC had entered an agreement on March 30, 2016 with Robson Capital Partners Corp. ("Robson"), an exempt market dealer, to act as agent in connection with the offering of MGMIC preferred shares, MGMIC advised Staff on December 2, 2016 that no investors had been referred by Robson to date. A copy of MGMIC's email to Staff dated December 2, 2016 is attached as **Exhibit W**. The Reports of Exempt Distribution filed by MGMIC indicate that no compensation was paid to any agent in connection with those distributions.

(vi) Staff Concerns Regarding Prospectus Exemptions Claimed by MGMIC

28. Based on the Reports of Exempt Distribution, MGMIC relied on the following exemptions from the prospectus requirement contained in National Instrument 45-106 - *Prospectus Exemptions* ("NI 45-106"):

(a) the minimum amount exemption (section 2.10 of NI 45-106);
(b) the private issuer exemption (section 2.4 of NI 45-106);
(c) the family, friends and business associate exemption (section 2.5 of NI 45-106) (the "Friends Exemption");

(d) the accredited investor exemption (section 2.3 of NI 45-106); and
(e) the offering memorandum exemption (section 2.9(1) of NI 45-106) (the "OM Exemption").

29. However, it appears that MGMIC improperly claimed the minimum amount exemption for trades in which the investment amount was less than $150,000. A distribution in October 2014 was purportedly made in reliance on the minimum amount exemption despite the fact that the amount was less than $150,000. Two other distributions in December 2014 and February 2015 improperly consolidated more than one trade to arrive at the minimum amount of $150,000.

30. MGMIC ceased to be a private issuer when it relied on the minimum amount exemption in October 2014. However, between January 2015 and June 2015, MGMIC purported to rely on the private issuer exemption for 25 distributions when it had already ceased to be a private issuer.

31. MGMIC was advised by Staff on July 30, 2015 that it could no longer rely on the private issuer exemption because it had ceased to be a private issuer after effecting the October 2014 distribution. After July 30, 2015, MGMIC began relying on the Friends Exemption for the majority of its distributions. Of the approximately 140 total investors who have purchased preferred shares in MGMIC, distributions to 108 investors were purportedly made in reliance on the Friends Exemption.

32. Staff have received information from some of the investors who purportedly qualified for the Friends Exemption and have determined that at least 8 investors did not meet the criteria set out in section 2.5 of NI 45-106. These investors told Staff that they had either never met or never heard of Ben or Payam prior to their investments in MGMIC.

33. It also appears that MGMIC improperly relied on the accredited investor exemption in at least one instance. Staff have received information from an investor for whom this exemption was claimed which indicates that the investor did not meet the criteria set out in section 2.3 of NI 45-106.

34. In addition, MGMIC appears to have improperly relied on the OM Exemption for a distribution to an Alberta resident on February 11, 2016. The exemption was not available

because the First Revised OM used in connection with that trade did not comply with the prescribed form required by 45-106F2 (including, but not limited to, missing audited financial statements and signed certificate).

(vii) Staff Concerns Regarding Undisclosed Risks to Investors

(a) Undisclosed Control of MGMIC

35. The Last Revised OM discloses that Ben and Payam are the sole officers and directors of MGMIC. The Corporation Profile Report for MGMIC also provides that Ben and Payam are currently the sole officers and directors of MGMIC.

36. However, it appears that others may be exercising control over decision making at MGMIC. In an email sent by Ben on March 7, 2016 to Bita Ghaffari ("Ghaffari"), a former director of MGMIC and MGC who left the companies in April 2016, Ben wrote: "The MIC is no longer a business that we control. Its a company that now has 3 main Players. Myself, Sai and Ara. There is no real say in my opinion alone, except when the decisions are made collectively between the 3 Key players." A copy of the email from Ben to Ghaffari dated March 7, 2016 is attached as **Exhibit X**. I attended the examination of Ghaffari by Staff on November 30 and December 12, 2016 (the "Ghaffari Examination") and asked questions of Ghaffari. During the Ghaffari Examination, Ghaffari told Staff that "Ara" refers to Arash Missaghi and "Sai" refers to Sai Mohammed.

37. Arash Missaghi ("Missaghi") is currently facing criminal fraud charges in relation to a property on which MGMIC has lent investor funds. The charges relate to a fraud surrounding the restoration and sale of a vacant commercial property on Lakeshore Road, Haileybury (also known as Temiskaming Shores following municipal amalgamation). Attached as **Exhibit Y** is a copy of the Ontario Provincial Police ("OPP") news release dated October 9, 2015 with respect to these charges. I am advised by Officer Adam Devost of the OPP Temiskaming detachment that the property to which the charges relate is 1107 Lakeshore Road South, Temiskaming Shores. MGMIC has lent nearly $4 million in investor funds on a property at the same address, as discussed further in Section (c) below. I am further advised by Officer Devost that the

criminal charges against Missaghi are currently outstanding and are expected to go to trial in the spring of 2017.

38. Missaghi is also named in an affidavit filed by the Law Society of Upper Canada (the "Law Society") in proceedings against Rasik Mehta, a lawyer involved in an alleged mortgage fraud scheme perpetrated by Missaghi and his associates, including Ben and Payam. The alleged misconduct includes suspicious power of sale transactions designed to defeat subsequent mortgagees without payment. Two of the allegedly suspicious transactions detailed in the Law Society affidavit relate to properties on which MGMIC has lent investor funds: 5780 Sheppard Avenue West, Units 56-66, Toronto (the "Sheppard Property") and 133 Boake Trail, Richmond Hill ("Boake Trail"). The Sheppard Property is owned by a corporation of which Sai Mohammed ("Mohammed") is the sole officer and director, while Boake Trail is owned by Ben, as discussed further in Sections (b) and (c) below. The Law Society affidavit also details a suspicious power of sale transaction on another property for which Mohammed was the purported purchaser. A copy of the motion record of the Law Society in the matter of Rasik Mehta, including the affidavit of Mary Ann Lord sworn on June 17, 2016, is attached as **Exhibit Z**.

39. When Ben was asked about his relationship with Missaghi during the Ben Interview, he provided answers to Staff that do not appear to be complete or consistent with the statements in his email to Ghaffari at Exhibit X. Ben told Staff that Missaghi "is not my type, I don't do business with him." He said that his relationship with Missaghi "wasn't a good relationship. ... I knew [his] father. We were in the food business together." Ben told Staff that Missaghi brought some mortgage deals to his company in the past, but it was "way before we formed Money Gate" and those deals were placed with financial institutions, not private lenders. As discussed in Sections (b) and (c) below, this does not appear to be consistent with information Staff has gathered on certain mortgages lent by MGMIC.

40. When Ben was asked during the Ben Interview how he knew Mohammed, Ben stated only that Mohammed was part of the 1PLUS12 group. Ben told Staff that 1PLUS12 is a real estate education company that has referred investors to MGMIC but has not received any commissions for doing so.

(b) Conflicts of Interest

41. The OMs provide that all investments will comply with MGMIC's investment policies. These policies include that MGMIC does not loan money to or invest in securities of MGC, or MGC's affiliates or other non-arm's length parties, other than investments in mortgages provided by MGC in its role as mortgage administrator for MGMIC.

42. Although the OMs provide that MGMIC may lend on mortgages to non-arm's length parties in the circumstances set out above, they also provide a mechanism for addressing potential conflict of interest issues raised by such mortgages. The OMs state that MGMIC has established an Investment Committee, which is responsible for adjudicating and advising on transactions involving potential conflicts of interest, among other matters. As set out in the Initial OM, the Investment Committee was initially comprised of Ben and Ghaffari, a former director of MGMIC and MGC who left the companies in April 2016. The Investment Committee is currently comprised of Ben and Payam, following a change in the Third Revised OM dated May 30, 2016.

43. However, it appears that the Investment Committee did not adjudicate on transactions involving potential conflicts of interest, contrary to the disclosure provided to investors in the OMs. During the Ben Interview, Ben told Staff that the Investment Committee "didn't do anything". Ghaffari told Staff during the Ghaffari Examination that when she raised concerns about potential conflicts of interest with Ben, he told her that she was not a decision maker.

44. MGMIC has invested in a number of mortgages on properties owned directly or indirectly by Ben, Payam, Missaghi and Mohammed that raise conflict of interest concerns. These include mortgages granted by MGMIC to:

- Ben on Boake Trail in the amount of $500,000. This mortgage is discussed further in Section (c) below.
- Ben on 28 Dale Park Court, Thornhill in the amount of $400,000, of which $55,000 has been provided by MGMIC to date. This mortgage is currently outstanding.
- Payam on 26 Heron Hollow, Richmond Hill in the amount of $82,500.

- Enigma Land Ltd., of which Payam is the sole officer and director, on 4342 Steeles Avenue West, Vaughan in the amount of $320,000. A copy of the Corporation Profile Report for Enigma Land Ltd. is attached as **Exhibit AA**. This mortgage is currently outstanding.
- 2450531 Ontario Inc., of which Ben's common law spouse Pantea Sahebdivani is the sole director, on 293 Euclid Avenue, Toronto in the amount of $282,500. Payam was also a director of 2450531 Ontario Inc. at the time MGMIC granted this mortgage. A copy of the current and point in time Corporation Profile Reports for 2450531 Ontario Inc. are attached as **Exhibit BB**. This mortgage is currently outstanding.
- Canadian Land Corporation, of which Missaghi is a director, on 5355 Highway 101 West, Timmins in the amount of $2,372,500. A copy of the Corporation Profile Report for Canadian Land Corporation is attached as **Exhibit CC**. This mortgage is currently outstanding and is discussed further in Section (c) below.
- World Properties Corporation, of which Mohammed is the sole officer and director, on the Sheppard Property in the amount of $700,000. A copy of the Corporation Profile Report for World Properties Corporation is attached as **Exhibit DD**. This mortgage is currently outstanding.

(c) Investments Not in Accordance with Disclosure Provided to Investors

45. In addition to the conflict of interest concerns raised by the mortgages above, it appears that they were not made in accordance with the terms of the OMs. It also appears that some of these mortgages and others lent by MGMIC carried risks that were not consistent with the disclosure provided to investors in the OMs and/or with MGMIC's commitment to lend.

1. <u>Lack of Credit Committee approval</u>

46. As noted above, the OMs provide that all investments will comply with MGMIC's investment policies. These policies include that investments are made only when recommended by MGC and approved by the Credit Committee. The Credit Committee was initially comprised of Ben and Ghaffari, and was later changed in the Third Revised OM dated May 30, 2016 to Ben and Payam. The mandate of the Credit Committee set out in the OMs is to review all proposals regarding investment decisions and to approve or reject such proposals.

47. However, it appears that the Credit Committee did not review and approve each of the mortgages MGMIC invested in, contrary to the disclosure provided to investors in the OMs.

During the Ghaffari Examination, Ghaffari stated that the Credit Committee never met regarding proposals for investment decisions, and that she was not involved in approving most of the mortgages MGMIC invested in while she was a member of the Credit Committee.

2. Third mortgage

48. The OMs disclose that MGMIC maintains a mix of mortgage types in its portfolio, including builder mortgages, first and second mortgages, development and construction mortgages and term financing mortgages on income producing properties. Of MGMIC's mortgage investments, the OMs provide that approximately 85% will be secured by second mortgages with the balance by first mortgages. Only the Last Revised OM, dated January 31, 2017, provides that MGMIC may invest in third or collateral mortgages in circumstances where the equity in the property and/or additional collateral provided are sufficient security for MGMIC's investment.

49. On April 28, 2015, MGMIC lent a third mortgage of $500,000 on Boake Trail, which was owned by Ben at the time. A copy of the MGMIC commitment letter for this mortgage is attached as **Exhibit EE**. This mortgage was not consistent with the terms of the OM in place at the time MGMIC made this investment.

50. During the Ben interview, Ben told Staff that Missaghi currently lives in Boake Trail and pays rent to Ben for it. Ben also told Staff that Missaghi's parents had owned Boake Trail prior to him and they had continued living there after Ben purchased the property.

3. Mortgage in excess of appraised value

51. In the Lending Parameters, MGMIC represented that the maximum loan to value ratio MGMIC would lend was 85% on second mortgages and 90% on bundled first and second mortgages.

52. However, it appears that the third mortgage granted by MGMIC on Boake Trail was in excess of the appraised value of the property and therefore had a loan to value ratio of more than 100%. MGMIC obtained an appraisal of Boake Trail as of January 21, 2015 as well as

statements of the balances of the first and second mortgages on the property as of January 29, 2015. A copy of the appraisal is attached as **Exhibit FF**, and copies of the prior mortgage statements are attached as **Exhibit GG**. The appraised value of the property was $2,150,000 while the mortgages on the property, including MGMIC's third mortgage of $500,000, totaled $2,284,566. This represents a loan to value ratio of 106%.

53. MGMIC took security on another property owned by Ben, 11 King High Drive, Vaughan, as additional collateral for its mortgage on Boake Trail. However, the appraisal and prior mortgage statements MGMIC obtained for 11 King High Drive show that MGMIC's third mortgage also exceeded the appraised value of that property. A copy of the appraisal for 11 King High Drive is attached as **Exhibit HH** and copies of the prior mortgage statements are attached as **Exhibit II**. The appraised value of the property was $1,700,000 while the mortgages on the property, including MGMIC's third mortgage, totaled $2,250,729. This represents a loan to value ratio of 132%.

54. During the Ben Interview, Ben told Staff that Missaghi's ex-wife, Laila Alizadeh, currently lives in 11 King High Drive and pays rent to Ben for it.

4. <u>Size and concentration of mortgages</u>

55. The OMs disclosed that the mortgages granted by MGMIC would typically range from $20,000 to $2,000,000. In the Lending Parameters, MGMIC represented that the size of the mortgages it offered ranged from $25,000 to $1,000,000. Only the Last Revised OM, dated January 31, 2017, disclosed that mortgages of more than $2,000,000 may be provided by MGMIC.

56. In addition, all of the OMs provide that MGMIC has "established a policy that limits its credit exposure to any one borrowing group."

57. However, MGMIC lent a total of $3,906,755 on a property at 1107 Lakeshore Road South, Temiskaming Shores (the "Temiskaming Property"), composed of a first mortgage of $431,755 and a second mortgage of $3,475,000. These mortgages were granted on July 15 and June 23, 2016, respectively, prior to the date of the Last Revised OM. As noted above, this

appears to be the same property that Missaghi was charged with fraud in relation to. Those criminal charges were laid in October 2015 and predate MGMIC's mortgages. A copy of the MGMIC commitment letters for the first and second mortgages on the Temiskaming Property are attached as **Exhibits JJ** and **KK**, respectively.

58. The Temiskaming Property is owned by Mansteel New Liskeard Inc., the directors of which are Grant Erlick and Hosseinali Sahebdivani. A copy of the Corporation Profile Report for Mansteel New Liskeard Inc. is attached as **Exhibit LL**. Grant Erlick was jointly charged with Missaghi for fraud in relation to the Temiskaming Property. A copy of a report on the OPP news release in relation to these charges is attached as **Exhibit MM**. Hosseinali Sahebdivani has the same surname as Ben's common law spouse Pantea Sahebdivani and the address provided for him on the MGMIC mortgage applications is [redacted] Ontario, which is also the registered address of MGMIC. Copies of the MGMIC mortgage applications for the Temiskaming Property are attached as **Exhibit NN**.

59. MGMIC also lent $2,372,500 on a property at 5355 Highway 101 West, Timmins (the "Timmins Property") on February 29, 2016, prior to the date of the Last Revised OM. A copy of the MGMIC commitment letter for the mortgage on the Timmins Property is attached as **Exhibit OO**. The Timmins Property is owned by Canadian Land Corporation, the directors of which are Missaghi and Troy Wilson, as set out in the Corporation Profile Report attached as Exhibit CC. Troy Wilson was jointly charged with Missaghi for fraud in relation to the Temiskaming Property, as noted in the report at Exhibit MM above.

60. The mortgages granted by MGMIC on the Temiskaming Property and the Timmins Property account for nearly 62% of MGMIC's total mortgage portfolio, based on the list appended as Exhibit P.

5. Type of mortgages

61. The OMs provide that "up to 35%" of MGMIC's assets may consist of mortgages on commercial and industrial properties, and "at least 50%" would consist of mortgages on residential properties.

62. However, as noted above, the mortgages granted by MGMIC on the Temiskaming Property and the Timmins Property amount to nearly 62% of MGMIC's total assets. According to the appraisal obtained by MGMIC, the Temiskaming Property is an industrial manufacturing facility that was vacant as of the date of the appraisal. The appraisal for the Timmins Property discloses that it is also "[e]ffectively vacant industrial land". A copy of the appraisal for the Temiskaming Property is attached as **Exhibit PP**, and a copy of the appraisal for the Timmins Property is attached as **Exhibit QQ**.

6. Lending contrary to terms of commitment

63. MGMIC has also lent to a related party contrary to the terms of its own mortgage commitment. MGMIC's commitment to lend a second mortgage on 2045 Lakeshore Boulevard, Unit 3103, Toronto (the "Lakeshore Property") required an appraisal of the property reflecting a minimum value of $1,650,000. However, the appraisal MGMIC obtained gave a value of only $1,550,000. A copy of the MGMIC commitment letter for the Lakeshore Property is attached as **Exhibit RR**, and a copy of the appraisal is attached as **Exhibit SS**. Despite the shortfall in the appraised value, MGMIC lent the full amount of the mortgage committed to, as reflected in the mortgage list at Exhibit P.

64. The owner of the Lakeshore Property is Atlas Capital Corporation (2013) ("Atlas"). The sole director of Atlas when it was incorporated on November 20, 2013 was Missaghi. Payam replaced Missaghi as the sole director of Atlas on December 1, 2013. On February 1, 2015, Jonathane Ricci became an officer and director of Atlas and he is currently its sole officer and director. It appears that Payam is no longer a director of Atlas, but since no report has been filed indicating the date he ceased acting as a director, it is unclear whether he was a director of Atlas at the time it purchased the Lakeshore Property in February 2014 and/or when MGMIC lent on the Lakeshore Property on August 20, 2015. A copy of the current and point in time Corporation Profile Reports for Atlas are attached as **Exhibit TT**.

65. Jonathane Ricci, the current sole officer and director of Atlas, is a lawyer who has been suspended by the Law Society following an investigation into his involvement in allegedly fraudulent mortgage transactions, including a transaction on the Sheppard Property. Copies of

the Law Society's decisions on the merits and on penalty in the matter of Jonathane Ricci are attached as **Exhibit UU**.

D. POTENTIAL VIOLATIONS OF THE SECURITIES ACT

66. Based upon Staff's investigation to date, it appears that MGMIC, MGC, Ben and Payam (collectively, the "Respondents") may have acted contrary to the public interest and may have breached Ontario securities laws by:

(a) engaging in the business of trading in securities without the necessary registration or an applicable exemption from the registration requirement, contrary to section 25 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act");

(b) trading in securities that would constitute a distribution without a prospectus or an applicable exemption from the prospectus requirement, contrary to section 53 of the Act;

(c) making a statement in a document required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading, contrary to section 122(1)(b) of the Act;

(d) engaging or participating in an act, practice or course of conduct relating to securities that the Respondents know or reasonably ought to know perpetrates a fraud on any person or company, contrary to section 126.1(b) of the Act; and/or

(e) failing to deliver to the Commission a copy of each of the OMs within 10 days of the date of the distribution, contrary to section 5.4 of OSC Rule 45-501.

67. I make this affidavit in support of Staff's application for a Temporary Order and for no other or improper purpose.

SWORN BEFORE ME	)	
	)	
at the City of Toronto,	)	
	)	Louisa Fiorini
This 4th day of April, 2017	)	

A Commissioner for taking affidavits

Michelle Spain, a Commissioner, etc.,
Province of Ontario, for the
Government of Ontario, Ontario Securities Commission.
Expirse March 22, 2018.

This is Exhibit "I" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

Ontario

Ontario Securities Commission | Commission des valeurs mobilières de l'Ontario | 22nd Floor 20 Queen Street West Toronto ON M5H 3S8 | 22e étage 20, rue queen ouest Toronto ON M5H 3S8

IN THE MATTER OF
MONEY GATE MORTGAGE INVESTMENT CORPORATION,
MONEY GATE CORP., MORTEZA KATEBIAN,
and PAYAM KATEBIAN

AMENDED STATEMENT OF ALLEGATIONS
(Subsection 127(1) and Section 127.1
of the *Securities Act*, R.S.O. 1990, c. S.5)

A. ORDER SOUGHT

1. Staff of the Enforcement Branch of the Ontario Securities Commission (**Enforcement Staff**) requests that the Commission make the following orders against Morteza (Ben) Katebian (**Ben**), Payam Katebian (**Payam**) (together, the **Principals**), Money Gate Mortgage Investment Corporation (**MGMIC**), and Money Gate Corp. (**MGC**), (together with the Principals, the **Respondents**):

   (a) pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the **Act**), that trading in any securities or derivatives by the Respondents cease permanently or for such period as is specified by the Commission;

   (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, that the acquisition of any securities by the Respondents is prohibited permanently or for such period as is specified by the Commission;

   (c) pursuant to paragraph 3 of subsection 127(1) of the Act, that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;

   (d) pursuant to paragraph 6 of subsection 127(1) of the Act, that the Principals be reprimanded;

(e) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act that the Principals resign one or more positions that they hold as a director or officer of any issuer, registrant, or investment fund manager;

(f) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, that the Principals be prohibited from becoming or acting as directors or officers of any issuer, registrant, or investment fund manager, permanently or for such period as is specified by the Commission;

(g) pursuant to paragraph 8.5 of subsection 127(1) of the Act that the Respondents be prohibited from becoming or acting as registrants, investment fund managers, or as promoters, permanently or for such period as is specified by the Commission;

(h) pursuant to paragraph 9 of subsection 127(1) of the Act, that each Respondent pay an administrative penalty of not more than $1 million for each failure by the respective Respondent to comply with Ontario securities law;

(i) pursuant to paragraph 10 of subsection 127(1) of the Act, that each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law;

(j) that the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and

(k) such other order as the Commission considers appropriate in the public interest.

B. FACTS

2. Enforcement Staff make the following allegations of fact:

(a) Overview

3. This proceeding involves fraud, misleading and untrue statements in disclosure documents, unregistered trading, and the illegal distribution of securities.

4. Between August 2014 and April 2017, the Respondents raised approximately $11 million from approximately 155 investors through the sale of preferred shares of MGMIC.

5. The Respondents solicited investors in Ontario to purchase securities of MGMIC, which invested in pools of residential and commercial mortgages. Disclosure provided to investors and other relevant documents outlined various business practices and lending policies, which provided safeguards to reduce risks for investors. MGMIC was supposed to abide by these practices and policies in its operation as a mortgage investment entity.

6. In fact, between August 2014 and December 2017 (the **Material Time**), MGMIC was not following these practices and policies and MGMIC was operating a far riskier mortgage investment business than the one represented to investors. Instances where MGMIC failed to comply with stated business practices and lending policies, resulting in increased risk to investors, include the following:

   (a) The Respondents represented that MGMIC's Investment Committee would review transactions involving potential conflicts of interest, when in fact no review was conducted in accordance with the stated practice. As a result, MGMIC made several investments in mortgages on properties with potential conflicts of interest directly or indirectly owned by the Principals and related parties;

   (b) The Respondents represented that MGMIC would limit its exposure to any one asset class by limiting investment in commercial and industrial properties, when in fact MGMIC made significant investments in mortgages on two (2) industrial properties owned indirectly by related parties accounting for over 60% of MGMIC's total mortgage portfolio, well in excess of its stated limitations; and

   (c) The Respondents represented that MGMIC would limit the loan-to-value (**LTV**) ratio on mortgages it invested in, when in fact MGMIC made significant investments in mortgages on several properties owned directly or indirectly by related parties with LTV ratios well in excess of the stated limits.

7. In addition, unbeknownst to MGMIC investors, some funds purportedly advanced on loans to third party borrowers ultimately flowed to the benefit of Ben, his family members and/or companies controlled by them.

8. As of August 2018, MGMIC had seven mortgages outstanding. Six of those mortgages, were in default and over $9 million in principal was owed on those mortgages.

9. Information that is publicly disclosed by an issuer must be accurate and not misleading or untrue in order to accomplish the goals of Ontario securities law to protect investors from unfair or improper practices and to foster fair and efficient capital markets and confidence in those markets. Disclosure that intentionally deceives investors about the true nature of a company's operations and use of investors' funds, that prevents investors from making informed investment decisions, and that misrepresents to investors the risk actually posed to their investment thwarts these important objectives.

10. In the course of their conduct, the Respondents failed to comply with the registration and prospectus requirements of Ontario securities law and, in doing so, breached important investor protection provisions. The registration requirements ensure that properly qualified and suitable individuals are permitted to engage in the business of trading in securities, ensuring honest and responsible conduct. Further, the prospectus requirements and available exemptions ensure that investors have appropriate information to enable them to properly assess risks and make fully informed investment decisions.

11. By disseminating documents to investors that contained information that was misleading or untrue and which impermissibly failed to disclose the material risks that the actual operations, practices and policies of MGMIC posed to investors' capital, the Respondents engaged in improper disclosure practices and fraudulent conduct that breached Ontario securities laws and undermined the integrity of Ontario's capital markets.

(b) The Respondents

12. MGMIC was incorporated in the province of Ontario in May 2014. It has a registered address located in Thornhill, Ontario. It is a mortgage investment entity, as such term is defined in CSA Staff Notice 31-323 *Guidance Relating to the Registration Obligations of Mortgage Investment Entities*, and lends capital for pooled residential and commercial mortgages. All of these mortgages are on underlying properties in Ontario.

13. Further, MGMIC represented to investors that it would conduct its affairs to qualify at all times as a mortgage investment corporation (**MIC**), as such term in defined in the *Income Tax Act*, R.S.C., 1985, c. 1, as amended (the **ITA**).

14. MGC was incorporated federally under the laws of Canada and registered extra-provincially in the province of Ontario in August 2007. It has a registered address located in Toronto, Ontario. MGC is licensed by the Financial Services Commission of Ontario (**FSCO**) as a mortgage brokerage and mortgage administrator. It operates as a mortgage administrator for MGMIC, finding and servicing the mortgages MGMIC lends on. It receives a fee from MGMIC for performing these services.

15. Ben is a director, officer and directing mind of MGMIC. He is the sole director of MGC and he is licensed by FSCO as the principal broker of MGC. He is a resident of Ontario.

16. Payam is a director, officer and a directing mind of MGMIC. He is licensed by FSCO as an agent with MGC. Payam is Ben's son. He is a resident of Ontario.

17. Neither MGMIC nor MGC is a reporting issuer in Ontario and neither has ever filed a preliminary prospectus and prospectus in Ontario. None of the Respondents has ever been registered with the Commission in any capacity.

(c) Conduct at Issue

(i) Unregistered Trading and Illegal Distribution

18. In 2014, the Principals began offering preferred shares in MGMIC to prospective investors. They offered the shares at a price of $1 per share and represented that investors would receive an annualized return of approximately 9% to 10% on their investment. Investors were told that dividends would be paid monthly to each shareholder or could be reinvested in a dividend reinvestment and share purchase program (**DRIP**). The preferred shares of MGMIC are "securities", as defined in subsection 1(1) of the Act.

19. MGMIC prepared five (5) offering memorandums (the **OMs**) in connection with the sale and distribution of its preferred shares to investors. The date of the initial OM is August 1, 2014 and four (4) revised versions followed on May 5, 2015, May 13 and May 30, 2016, and January 31, 2017. These OMs were provided to prospective investors and contained disclosure about the terms of the investment and the business practices and activities of MGMIC, including MGMIC's investment policies, which set out the terms and conditions under which MGMIC made investments.

20. The Principals actively solicited investors, discussing the investment opportunity in MGMIC during meetings with prospective investors, and answering questions that investors had about the opportunity. The Principals also prepared and provided marketing materials to prospective investors, which set out MGMIC's proposed investment activities and the terms of the investment. Solicitations to investors involved advertising via live presentations, websites, social media postings, and print materials. The Respondents executed formal subscription agreements with investors who purchased shares in MGMIC.

21. By engaging in this conduct, the Respondents traded and engaged in, or held themselves out as engaging in, the business of trading in MGMIC securities, in circumstances where there were no exemptions available under the Act, contrary to section 25 of the Act.

22. None of the Respondents has ever filed a preliminary prospectus and prospectus with the Commission or obtained a receipt to qualify the sale of MGMIC securities, contrary to section 53 of the Act. In distributing MGMIC securities, the Respondents did not properly rely on available exemptions to the prospectus requirements, as set out in National Instrument 45-106 *Prospectus Exemptions*.

(ii) Misleading Statements and Fraudulent Conduct

23. The OMs and marketing materials provided to investors, as well as other relevant documents, contained numerous misleading or untrue statements about (1) the controls and processes governing the business operations of MGMIC, including the process by which it made investment decisions, and (2) the lending parameters, practices and restrictions in place with respect to the investments in MGMIC's mortgage portfolio.

24. Failure by the Respondents to adhere to stated business practices and lending policies, which provided safeguards for investors, placed investors' capital at increased risk.

25. By engaging in the conduct described below, the Respondents perpetrated a fraud on investors by exposing investors' capital to higher risks than those disclosed. In addition, the Respondents made statements to investors in an offering document that were misleading or untrue in a material respect in the circumstances they were made, as follows:

1. ***Failure to Disclose the True Nature of MGMIC's Operations, Controls and Processes***

Failure to Fulfill the Mandate of the MGMIC Credit Committee

26. The Respondents represented to investors that MGMIC only makes investment decisions, which include decisions relating to loans, borrowings, acquisitions and/or dispositions by MGMIC, if recommended by MGC and approved by the Credit Committee.

27. The mandate of the Credit Committee is to review all proposals and to approve or reject such proposals. According to the OMs, the Credit Committee was supposed to meet as required and no less than on a quarterly basis, to provide strategic guidance and direction.

28. However, the Credit Committee did not meet as required and did not review and approve many of the investments made by MGMIC, contrary to the disclosure provided to investors. The function of the Credit Committee was to provide oversight and supervision over MGMIC's investment decisions, when in reality this safeguard was absent.

Failure to Fulfill the Mandate of the MGMIC Investment Committee

29. The Respondents represented to investors that MGMIC established an Investment Committee to, among other things, (1) adjudicate and advise on transactions involving potential conflicts of interest and (2) approve or reject investments in mortgages which may adversely affect MGMIC's status as a MIC.

30. However, contrary to the disclosure provided to investors, the members of the Investment Committee did not appropriately review such transactions. The function of the Investment Committee was to provide oversight and supervision over MGMIC's lending practices, when in reality this safeguard was absent. The Principals also approved loans that involved conflicts of interest, despite the fact that they themselves were in a conflict of interest in relation to those transactions.

31. As a result, MGMIC invested in a number of mortgages involving potential conflicts of interest on properties controlled and/or owned, directly or indirectly, by the Principals and/or the undisclosed principals referred to in paragraph 37 below.

MGMIC Did Not Qualify as a Mortgage Investment Corporation (MIC)

32. Throughout the Material Time, the Respondents represented to investors that MGMIC conducted its affairs to qualify at all times as a MIC, as defined in the ITA.

33. As a MIC, MGMIC would be subject to "special rules" under the ITA that would permit MGMIC to be operated, in effect, as a tax-free "flow through" conduit of its profit to shareholders. This meant that MGMIC would pay out substantially all of its net income and realized gains and would not be liable to pay income tax in any year. Further, as long as MGMIC qualified as a MIC, shares of MGMIC would be qualified investments for the purpose of registered retirement savings plans, deferred profit sharing plans, registered retirement income funds and registered education savings plans.

34. However, MGMIC did not qualify as a MIC from its inception until approximately mid-2016. In particular, notes to the fiscal 2015 and 2016 audited financial statements state that MGMIC did not meet the criteria to qualify as a MIC. Further, the 2016 audited financial statements state that MGMIC was in a taxable position for the relevant year.

35. No revisions to the OMs were made to reflect the fact that MGMIC did not qualify as a MIC and investors were never otherwise adequately informed. MGMIC's inability to maintain its tax status as a MIC jeopardized its ability to pay returns to shareholders and potentially meant adverse tax consequences for investors.

Undisclosed Control of MGMIC

36. Until May 30, 2016, the Respondents represented to investors that the Principals, along with one other individual, BG, were the directors and senior officers of MGMIC. Beginning May 30, 2016, the revised OMs disclose that the Principals were the sole directors and senior officers of MGMIC after BG left the company in April 2016.

37. However, in March 2016 Ben sent an email to BG stating that control of MGMIC rested with himself and two other individuals. The control and direction of MGMIC by these two individuals was not disclosed to investors in the previous or subsequent revised OMs. Further, MGMIC invested in mortgages on properties with potential conflicts of interest

owned, directly or indirectly, by these two individuals, in contravention of its investment policies.

38. No revision to the OMs was made to reflect this undisclosed control over MGMIC and investors were never otherwise informed. No information was provided to investors about the management experience or qualifications of the other two individuals with whom actual control and direction over MGMIC rested, which restricted investors' ability to make a fully informed decision about the potential risks of investing in MGMIC.

2. Failure to Abide by MGMIC's Lending Parameters, Policies and Restrictions

Undisclosed Investment in Third Mortgages

39. Until January 2017, the Respondents represented to investors that MGMIC would invest in only certain types of mortgages, including builders' mortgages, first and second mortgages, development and construction mortgages, and term financing mortgages on income producing properties. The OMs stated that approximately 85% of its investments would be secured by second mortgages with the balance secured by first mortgages.

40. However, in April 2015 MGMIC made an investment in a third mortgage in the amount of $500,000 with respect to a property owned by one of the Principals located in Richmond Hill, Ontario (the **Richmond Hill Property**). The Respondents applied investors' funds in a manner wholly inconsistent with the disclosure provided in the OMs by investing in a higher-risk third mortgage on a property owned by a related party.

Investment in Mortgages in Excess of Stated Size and Concentration

41. Until January 2017, the Respondents represented to investors that a "typical loan size" would range from $20,000 to $2 million with respect to the mortgages in MGMIC's portfolio. Similarly, marketing materials distributed by MGMIC stated that the mortgages provided by MGMIC would range from $20,000 to $1 million in value.

42. Further, the Respondents represented to investors that MGMIC established a policy that limited its credit exposure to any one borrowing group. To achieve this, the OMs provide that a maximum of 35% of MGMIC's assets may consist of mortgages on commercial

and industrial properties and that a minimum of 50% of MGMIC's assets will consist of mortgages on residential properties.

43. However, contrary to the representations made to investors:

- In or around February 2016, MGMIC lent a total of approximately $2.4 million on an industrial property owned indirectly by a related party located in Timmins, Ontario (the **Timmins Property**).
- In June and July 2016, MGMIC lent a total of approximately $4 million on an industrial property owned indirectly by a related party located in Temiskaming Shores, Ontario (the **Temiskaming Property**).

44. These investments were in excess of the typical loan ranges disclosed to investors. Further, these investments accounted for 62% of MGMIC's total mortgage portfolio[1] and were significantly in excess of the stated maximum of 35% of MGMIC's assets that may consist of industrial or commercial properties. The Respondents applied investors' funds in a manner wholly inconsistent with the disclosure provided in the OMs by failing to limit its credit exposure and overexposing investors' funds to certain asset classes.

Lending Contrary to Terms of Commitment

45. In August 2015, MGMIC lent on a mortgage to a related party contrary to the terms of its own mortgage commitment on a condominium unit located in Toronto, Ontario (the **Lakeshore Property**). The commitment letter for this property required an appraisal of reflecting a minimum value of $1.65 million. The appraisal attributed a value of only $1.55 million. Regardless, MGMIC lent the full amount of the mortgage commitment.

46. In 2016, the terms of the mortgage commitment letters for the Temiskaming and Timmins Properties required marketability timelines of 60 to 90 days. The appraisals for these properties gave marketability timelines of 5 years, which reflected decreased marketability and therefore decreased liquidity for the properties. Regardless, MGMIC granted the mortgages on both properties.

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[1] As at March 2017

47. MGMIC failed to follow its own internal lending parameters by not complying with the terms of its mortgage commitment documents. As a result, MGMIC created higher-risk lending circumstances in which there was insufficient value in the Lakeshore Property and decreased marketability and liquidity in the Temiskaming and Timmins Properties.

Investment in Mortgages in Excess of Appraised Values

48. The Respondents represented to investors that MGMIC attempted to minimize risk by being prudent in both its credit decisions and in assessing the value of the underlying real property offered as security. Further, the Respondents stated that MGMIC restricted its lending to mortgages where the maximum loan-to-value (**LTV**) ratio was 85% on second mortgages and 90% on bundled first and second mortgages.

49. However, the Respondents applied investors' funds in a manner wholly inconsistent with the disclosure provided in the OMs by investing in high-risk assets where the LTV ratio exceeded the stated maximums in the following instances:

- In April 2015, a third mortgage in the amount of $500,000 granted by MGMIC on the Richmond Hill Property caused the LTV ratio to exceed 100%. The appraisal on the Richmond Hill Property attributed a value of $2,150,000 while the addition of the $500,000 mortgage brought the total of the mortgages on the property to $2,284,566.

- As additional collateral for its mortgage on the Richmond Hill Property, MGMIC took security on a property owned by Ben located in Vaughan, Ontario (the **Vaughan Property**). However, the Vaughan Property provided no additional collateral since the property was funded by mortgages totalling $1,750,729, which exceeded its appraised value.

50. Further, the mortgages on the Temiskaming and Timmins Properties also had LTV ratios in excess of the stated maximum. Although the Respondents caused appraisals to be done on the properties prior to granting the mortgages, the appraisals significantly overvalued both the Temiskaming and the Timmins Properties.

51. With respect to monitoring LTV ratios, the Respondents represented to investors that MGC would establish a database of comparative properties with similar characteristics to

assess the LTV ratio of the portfolio as part of its ongoing risk management practices. Contrary to the disclosure provided to investors, this database was never established.

3. Conduct related to a property on Birchmount Road

52. On November 6, 2017, after the Respondents advised Staff of their desire to wind-up MGMIC, the Respondents caused MGMIC to enter into a mortgage assignment agreement (**Assignment Agreement**) with World Finance Corporation (**WFC**), a company under the control of one of the undisclosed principals. Under the terms of the Assignment Agreement, MGMIC agreed to loan $1,850,000 to WFC, which amount was to be secured by an assignment of a portion of WFC's interest in a third mortgage on a property located at 4 Birchmount Road, Toronto (the **Birchmount Property**).

53. Unbeknownst to investors, approximately $1.1 million in advances made under the Assignment Agreement ultimately benefitted Ben, his family members, or companies under their control.

54. In addition, contrary to representations made to investors regarding MGMIC's prudent approach to credit decisions and the sufficiency of security, the underlying security for the Assignment Agreement was a third mortgage that had been in default for 9 years, granted by an owner who was bankrupt. The Respondents performed inadequate due diligence with respect to WFC and did not require any personal guarantees in respect of the loan. Finally, the Respondents relied on an appraisal valuing the property at $9,250,000 that was based on the hypothetical condition that the property could be developed with a senior citizens apartment development, although that use was not permitted by zoning.

55. The value of the Birchmount Property was far less than the amount indicated in the appraisal. In April 2018, a receiver was appointed for the Birchmount Property. In June 2018, a sale of the Birchmount Property for $3,450,000 was approved. MGMIC has not received any amounts from the distribution of these proceeds and has not otherwise recovered any amounts owing under the Assignment Agreement.

4. *Diversion of Loan Advances on the Temiskaming Property*

56. In January 2017, the Respondents caused MGMIC to make a final advance of $445,000 on the mortgage on the Temiskaming Property. The Respondents arranged for certain funds from the advance to be diverted to the benefit of Ben, his family members, and/or companies under their control.

5. *Conclusion*

57. The conduct of the Respondents described above gave rise to an increased risk of economic loss to investors in MGMIC. In addition, the significant losses and costs arising from the mortgages in default have and will continue to cause actual losses to MGMIC's investors.

58. By engaging in the conduct described above, individually and collectively, each of the Respondents breached subsection 126.1(1)(b) of the Act by directly or indirectly engaging in or participating in an act, practice or course of conduct relating to securities which they each knew, or reasonably ought to have known, would perpetrate a fraud on investors.

59. Further, each of the Respondents breached subsection 122(1)(b) of the Act by making statements in an offering document that, in a material respect and in the circumstances they were made, were misleading or untrue.

C. BREACHES OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

60. Enforcement Staff alleges the following breaches of Ontario securities law and/or conduct contrary to the public interest:

    (a) The Respondents traded and engaged in, or held themselves out as engaging in, the business of trading in securities without being registered to do so, and where no exemption to the registration requirements of Ontario securities law was available, contrary to subsection 25(1) of the Act;

(b) The Respondents distributed securities where no preliminary prospectus and prospectus was issued or receipted under the Act, and where exemptions to the prospectus requirements of Ontario securities law were improperly relied upon, contrary to subsection 53(1) of the Act;

(c) The Respondents made statements in a document required to be furnished or filed under Ontario securities law that, in a material respect at the time and in light of the circumstances under which it is made, are misleading or untrue or do not state a fact that is required to be stated or that is necessary to make the statements not misleading, contrary to subsection 122(1)(b) of the Act;

(d) The Respondents engaged in or participated in acts, practices, or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies contrary to subsection 126.1(1)(b) of the Act;

(e) The Principals, as directors and officers of the corporate Respondents, authorized, permitted or acquiesced in the breaches by the corporate Respondents set out above, and, in doing so, are deemed to have not complied with Ontario securities law, pursuant to section 129.2 of the Act; and

(f) The Respondents acted contrary to the public interest by carrying out the conduct identified above.

61. Enforcement Staff reserve the right to make such other allegations as Enforcement Staff may advise and the Commission may permit.

DATED at Toronto, October 31, 2018.

Jamie Gibson
Litigation Counsel

Dihim Emami
Senior Litigation Counsel

Tel: (416) 263-3783
Fax: (416) 204-8956

Lawyers for Staff of the Ontario
Securities Commission

This is Exhibit "J" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

Request ID: 018889227
Transaction ID: 60941005
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2016/04/26
Time Report Produced: 15:14:27
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2399029	2399029 ONTARIO INC.	2013/12/09
		Jurisdiction
		ONTARIO

Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE

Registered Office Address

MORTEZA KATEBIAN
122 KIRK DRIVE

THORNHILL
ONTARIO
CANADA L3T 3L4

Mailing Address

MORTEZA KATEBIAN
122 KIRK DRIVE

THORNHILL
ONTARIO
CANADA L3T 3L4

Date Amalgamated	**Amalgamation Ind.**
NOT APPLICABLE	NOT APPLICABLE
New Amal. Number	**Notice Date**
NOT APPLICABLE	NOT APPLICABLE
	Letter Date
	NOT APPLICABLE
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

Number of Directors Minimum	Number of Directors Maximum	Date Commenced in Ontario	Date Ceased in Ontario
00001	00010	NOT APPLICABLE	NOT APPLICABLE

Activity Classification

NOT AVAILABLE

Request ID· 018889227 Transaction ID: 60941005 Category ID. (C)CC/E	Province of Ontario Ministry of Government Services	Date Report Produced· 2016/04/26 Time Report Produced 15·14:27 Page 2

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2399029	2399029 ONTARIO INC

Corporate Name History	Effective Date
2399029 ONTARIO INC.	2013/12/09

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)		Address
MORTEZA KATEBIAN		122 KIRK DRIVE THORNHILL ONTARIO CANADA L3T 3L4
Date Began	**First Director**	
2013/12/09	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
DIRECTOR		Y

Request ID: 018889227	Province of Ontario	Date Report Produced: 2016/04/26
Transaction ID: 60941005	Ministry of Government Services	Time Report Produced: 15:14:27
Category ID. (C)CC/E		Page: 3

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2399029	2399029 ONTARIO INC

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

MORTEZA
KATEBIAN

122 KIRK DRIVE

THORNHILL
ONTARIO
CANADA L3T 3L4

Date Began	First Director	
2013/12/09	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	PRESIDENT	Y

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

MORTEZA
KATEBIAN

122 KIRK DRIVE

THORNHILL
ONTARIO
CANADA L3T 3L4

Date Began	First Director	
2013/12/09	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	SECRETARY	Y

Request ID· 018889227	Province of Ontario	Date Report Produced 2016/04/26
Transaction ID· 60941005	Ministry of Government Services	Time Report Produced 15:14:27
Category ID. (C)CC/E		Page: 4

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2399029	2399029 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2014/04/25 (ELECTRONIC FILING)

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 certified report in electronic form is authorized by the Ministry of Government Services

This is Exhibit "K" referred to in the Affidavit of Louisa Fiorini Sworn before me this 2nd day of November, 2018

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A Commissioner, etc.

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APPL: CIF TRAN: ECIF      ID:                                          SC:
BR #: 5136            CUSTOMER INFORMATION ENQUIRY            PAGE     1 LAST
                                                              ADDRESS  1 OF   1
NAME         : 2399029 ONTARIO INC.                     :           COMMENTS
NAME CONTD   :                                          :           REFER ECOM
NAME CONTD   :                                          :
ALIAS NAME   :                                          :
ATTN         :                                          : LAST MAINTENANCE
SP ADDR      :                                          :   DATE   : FEB/17/2017
STREET       : 28 DALE PARK CRT                         :   BRANCH : 1085
CITY/FRGN    : THORNHILL                                :
PROV/ST      : ON  P/Z CODE : L3T 2A2  COUNTRY : CAN
PHONE        : 416 857 - 6026       FAX: PND     -      MOBILE:          -
INTERNATIONAL PHONE:  011
EMAIL: b.katebian@moneygate.ca
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APPL: CIF TRAN: EOCI      ID:                                         SC:
BR #: 5136                OTHER CUSTOMER INFORMATION ENQUIRY
                               2399029 ONTARIO INC.              COMMENTS
                                                                 REFER ECOM

CLASSIFICATION CODE : 130   OTHER PRIVATE FINANCIAL INSTITUTIONS
SIC CODE            : 7215 HOLDING COMPANIES
COMPANY TYPE: I PRIVATE INCORPORATED   BUS TYPE : CR CORPORATION
BUS. INC. #     :  002399029       : PROV/ST  : ON : COUNTRY : CAN
BUSINESS # (BN):  N/A        :              LANGUAGE:  E
PREFERRED LANG :                            SWIFT NUMBER :                   :

SPECIAL CODES   :  CAM  COM                 NOT-FOR-PROFIT : NO
RES CODE        : 12   ONTARIO
TAX COUNTRY     : CAN  CANADA
TAX COUNTRY NOTIFY DATE  :                      BRANCH OF RECORD    : 1085
STATUS        :  00    NORMAL                   CUSTOMER SINCE DATE : AUG/2016
STATUS EFF DATE   :  SEP/2016                   MAIL CODE          : 0
LAST MAINT DATE   :  FEB/17/2017                LAST COMB DATE     :
LAST MAINT BRANCH :  1085                       COMB BRANCH #      :
USER ID: FRANKJ4          PSWD:
PER & NON-PER CUST, SEE EREL - REQUEST NEXT TRANSACTION
1/HELP 3/END 4/MAIN 5/PREV   12/LOGOFF
                   IMSTX TCIF0140 LTRM M5100168 MOD MOC140E1 08/29/18 16:32:40
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APPL: CIF TRAN: EOAD      ID:                                              SC:
BR #: 5136                OFFICERS AND DIRECTORS ENQUIRY      PAGE    1 OF LAST
                              2399029 ONTARIO INC.                  COMMENTS
                                                                    REFER ECOM

FN
_ NAME: MR        : MORTEZA*KATEBIAN*                         SIGN  %OWN: 100.00
  TITLE: PRES    TITLE DESC: PRESIDENT            : DIR: Y   OFFR: Y ON MCIF: Y

_ NAME: MR        : PAYAM*KATEBIAN*                           SIGN  %OWN:
  TITLE: OTHER   TITLE DESC: SIGNING OFFICER      : DIR: N   OFFR: Y ON MCIF: Y

  NAME:           :                                           SIGN  %OWN:
  TITLE:         TITLE DESC:                      : DIR:     OFFR:   ON MCIF:

  NAME:           :                                           SIGN  %OWN:
  TITLE:         TITLE DESC:                      : DIR:     OFFR:   ON MCIF:

USER ID: FRANKJ4        PSWD:          SUPV ID:                   PSWD:
REQUEST NEXT TRANSACTION
1/HELP 3/END 4/MAIN
                  IMSTX TCIF0190 LTRM M5100168 MOD MOC190A1 08/29/18 16:32:48
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APPL: CIF TRAN: EASA ID: SC:
BR #: 5136 ACCOUNT SIGNING AUTHORITY ENQUIRY PAGE 1 OF LAST
CDA 5407632 1085 - 2399029 ONTARIO INC.

SIGNING AUTHORITY
: ANY ONE TO SIGN :
: :

FN	NAME	TITLE	TITLE DESC
_	MORTEZA*KATEBIAN*	: PRES	PRESIDENT
_	PAYAM*KATEBIAN*	: OTHER	SIGNING OFFICER

USER ID: FRANKJ4 PSWD:
REQUEST NEXT TRANSACTION
1/HELP 3/END 4/MAIN
IMSTX TCIF0200 LTRM M5100168 MOD MOC200A1 08/29/18 16:33:06

APPL: CIF TRAN: EOWN ID: SC:
BR #: 5136 ACCOUNT OWNERSHIP ENQUIRY PAGE 1 OF 2
CDA 5407632 1085

NAME	TYPE	
2399029 ONTARIO INC.	STATUS	ACTV
	MAIL CODE	0 MAIL TO CUST
	SHORT NAME	2399029 ONTA
	LAST MAINT DATE	SEP/02/16

ACCOUNT MAILING ADDRESS 28 DALE PARK CRT
THORNHILL ON L3T 2A2 CAN

USER ID: FRANKJ4 PSWD:
FIRST PAGE - SCROLL FORWARD OR REQUEST NEXT TRANSACTION.
1/HELP 3/END 4/MAIN 8/FORWARD 12/LOGOFF
IMSTX TCIF0170 LTRM M5100168 MOD MOC170A5 08/29/18 16:33:19

APPL: CIF TRAN: EOWN ID: SC:

BR #: 5136 ACCOUNT OWNERSHIP ENQUIRY PAGE 2 OF 2

CDA 5407632 1085

RELATED CUSTOMERS

2399029 ONTARIO INC. TYPE

28 DALE PARK CRT

THORNHILL ON L3T 2A2 CAN

TYPE

TYPE

USER ID: FRANKJ4 PSWD:

LAST PAGE - SCROLL BACK OR REQUEST NEXT TRANSACTION

1/HELP 3/END 4/MAIN 7/BACKWARD 12/LOGOFF

IMSTX TCIF0170 LTRM M5100168 MOD MOC170B5 08/29/18 16:33:24

This is Exhibit "L" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

195

2399029 ONTARIO INC.
Account Number 5407632 - 1085

SEQ#	ACCT#	BR#	POSTING BR# (if 0 use BR#)	POSTING DATE (yyyymmdd)	AMOUNT	CR / DR	DESCRIPTION	BALANCE	COMMENTS
1	5407632	1085	1085	20160902	0.00	CR	OPEN ACCOUNT		
2	5407632	1085	1284	20160919	12,458.57	CR	GC 1284-DEPOSIT	12,458.57	
3	5407632	1085	0	20160922	23.84	DR	CHEQUE ORDER CHARGES		
4	5407632	1085	0	20160922	2,768.50	DR	CHQ#00001-0200198734	9,666.23	
5	5407632	1085	1085	20160928	65,200.00	CR	TRANSFER		
6	5407632	1085	1085	20160928	125,000.00	CR	DEPOSIT		
7	5407632	1085	1085	20160928	125,000.00	DR	WIRE TO CUSTOMER	74,866.23	
8	5407632	1085	1085	20160930	210,000.00	CR	DEPOSIT		
9	5407632	1085	1085	20160930	210,007.50	DR	CAD DRAFT 78841143		
10	5407632	1085	1085	20160930	284,011.36	CR	DEPOSIT	358,870.09	
11	5407632	1085	0	20161003	5,618.73	DR	MONEY GATE CORP MSP		
12	5407632	1085	0	20161003	6,666.66	DR	MONEY GATE CORP MSP		
13	5407632	1085	0	20161003	13,541.68	DR	MONEY GATE CORP MSP		
14	5407632	1085	0	20161003	13,854.18	DR	MONEY GATE CORP MSP		
15	5407632	1085	0	20161003	33,782.82	DR	MONEY GATE CORP MSP		
16	5407632	1085	0	20161003	49,412.33	DR	MONEY GATE CORP MSP	235,993.69	
17	5407632	1085	0	20161004	29,937.52	DR	MONEY GATE CORP MSP	206,056.17	
18	5407632	1085	1929	20161005	195,096.00	CR	GC 1929-TRANSFER	401,152.17	
19	5407632	1085	1085	20161006	245,264.00	DR	WIRE TO CUSTOMER	155,888.17	
20	5407632	1085	0	20161007	250.00	DR	CHQ#00005-0147499709		
21	5407632	1085	0	20161007	7,083.33	DR	CHQ#00003-0147499712		
22	5407632	1085	0	20161007	85,250.00	DR	CHQ#00006-4144105752	63,304.84	
23	5407632	1085	5905	20161019	3,000.00	DR	E TFR C0***ACX		
24	5407632	1085	5905	20161019	1.50	DR	E-TRANSFER FEE		
25	5407632	1085	0	20161019	163.58	DR	CHEQUE ORDER CHARGES	60,139.76	
26	5407632	1085	5905	20161021	3,000.00	DR	E TFR C0***MJQ		
27	5407632	1085	5905	20161021	1.50	DR	E-TRANSFER FEE	57,138.26	
28	5407632	1085	5905	20161024	3,000.00	DR	E TFR C0***NTu		
29	5407632	1085	5905	20161024	1.50	DR	E-TRANSFER FEE	54,136.76	
30	5407632	1085	1085	20161031	19.00	DR	MONTHLY PLAN FEE		
31	5407632	1085	1085	20161031	19.00	CR	ACCT BAL REBATE	54,136.76	
32	5407632	1085	1085	20161101	22,782.79	CR	DEPOSIT		

2399029 ONTARIO INC.
Account Number 5407632 - 1085

33	5407632	1085	5905	20161101	1,625.00	DR	E TFR . C0***CaX		
34	5407632	1085	5905	20161101	1.50	DR	E-TRANSFER FEE		
35	5407632	1085	0	20161101	7,083.33	DR	CHQ#00004-1144465449	68,209.72	
36	5407632	1085	5905	20161104	3,000.00	DR	E TFR C0***8PP		
37	5407632	1085	5905	20161104	1.50	DR	E-TRANSFER FEE	65,208.22	
38	5407632	1085	1085	20161114	28,498.42	DR	CAD DRAFT 78841254	36,709.80	
39	5407632	1085	0	20161116	5,000.00	DR	CHQ#00011-4140243282	31,709.80	
40	5407632	1085	1085	20161118	5,000.00	CR	DEPOSIT		
41	5407632	1085	1085	20161118	5,007.50	DR	CAD DRAFT 78841332		
42	5407632	1085	1085	20161118	5,007.50	DR	CAD DRAFT 78841333		
43	5407632	1085	1085	20161118	500.00	DR	CASH WITHDRAWAL	26,194.80	
44	5407632	1085	0	20161121	5,000.00	DR	CHQ#00013-2143416190	21,194.80	
45	5407632	1085	315	20161130	22,000.00	CR	GC 0315-TRANSFER		
46	5407632	1085	1085	20161130	19.00	DR	MONTHLY PLAN FEE		
47	5407632	1085	1085	20161130	19.00	CR	ACCT BAL REBATE	43,194.80	
48	5407632	1085	640	20161201	21,687.76	CR	GC 0640-DEPOSIT		
49	5407632	1085	0	20161201	7,279.39	DR	Home Trust Comp MTG		
50	5407632	1085	0	20161201	7,325.04	DR	Home Trust Comp MTG		
51	5407632	1085	5905	20161201	2,000.00	DR	E TFR C0***689		
52	5407632	1085	5905	20161201	1.50	DR	E-TRANSFER FEE	48,276.63	
53	5407632	1085	1284	20161205	7,325.04	DR	GC 1284-TRANSFER		
54	5407632	1085	1284	20161205	7,279.39	DR	GC 1284-TRANSFER		
55	5407632	1085	0	20161205	7,083.33	DR	CHQ#00001-1144046061	26,588.87	
56	5407632	1085	2047	20161209	635,700.50	CR	GC 2047-TRANSFER	662,289.37	
57	5407632	1085	315	20161212	453,370.50	DR	CAD DRAFT 80020488		
58	5407632	1085	315	20161212	21,889.75	DR	GC 0315-TRANSFER	187,029.12	
59	5407632	1085	1284	20161213	37,750.00	DR	GC 1284-TRANSFER		
60	5407632	1085	321	20161213	11,500.00	CR	GC 0321-DEPOSIT		
61	5407632	1085	0	20161213	6,666.66	DR	MONEY GATE CORP MSP		
62	5407632	1085	0	20161213	8,994.90	DR	MONEY GATE CORP MSP		
63	5407632	1085	0	20161213	13,854.18	DR	MONEY GATE CORP MSP		
64	5407632	1085	0	20161213	46,640.99	DR	MONEY GATE CORP MSP		
65	5407632	1085	0	20161213	49,427.10	DR	MONEY GATE CORP MSP	35,195.29	
66	5407632	1085	2047	20161214	126,496.00	CR	GC 2047-TRANSFER		
67	5407632	1085	0	20161214	8,067.08	DR	CHQ#00015-1144658832	153,624.21	
68	5407632	1085	1085	20161215	126,503.50	DR	CAD DRAFT 79712971	27,120.71	

2399029 ONTARIO INC.
Account Number 5407632 - 1085

69	5407632	1085	1085	20161229	6,000.00	CR	TRANSFER	33,120.71	
70	5407632	1085	1085	20161230	19.00	DR	MONTHLY PLAN FEE		
71	5407632	1085	1085	20161230	19.00	CR	ACCT BAL REBATE		
72	5407632	1085	1085	20161230	1.25	DR	SERVICE CHARGE	33,119.46	
73	5407632	1085	0	20170103	7,279.39	DR	Home Trust Comp MTG		
74	5407632	1085	0	20170103	7,325.04	DR	Home Trust Comp MTG	18,515.03	
75	5407632	1085	5905	20170104	1,850.00	DR	E TFR C0***X6J		
76	5407632	1085	5905	20170104	1.50	DR	E-TRANSFER FEE		
77	5407632	1085	1085	20170104	21,687.00	CR	DEPOSIT		
78	5407632	1085	0	20170104	7,083.33	DR	CHQ#00002-0147344870		
79	5407632	1085	0	20170104	8,067.08	DR	CHQ#00016-3145205045	23,200.12	
80	5407632	1085	2047	20170124	435,196.00	CR	GC 2047-TRANSFER	458,396.12	
81	5407632	1085	1085	20170125	100,007.50	DR	CAD DRAFT 79713440		
82	5407632	1085	1284	20170125	140,000.00	DR	GC 1284-TRANSFER		
83	5407632	1085	1284	20170125	13,326.00	DR	GC 1284-TRANSFER		
84	5407632	1085	315	20170125	116,007.50	DR	CAD DRAFT 80020932	89,055.12	
85	5407632	1085	1284	20170130	68,874.67	DR	GC 1284-TRANSFER	20,180.45	
86	5407632	1085	1085	20170131	19.00	DR	MONTHLY PLAN FEE	20,161.45	
87	5407632	1085	1284	20170201	20,000.00	CR	GC 1284-TRANSFER		
88	5407632	1085	0	20170201	7,279.39	DR	Home Trust Comp MTG		
89	5407632	1085	0	20170201	7,325.04	DR	Home Trust Comp MTG	25,557.02	
90	5407632	1085	5905	20170202	1,850.00	DR	E TFR C0***Ufd		
91	5407632	1085	5905	20170202	1.50	DR	E-TRANSFER FEE		
92	5407632	1085	0	20170202	8,067.08	DR	CHQ#00017-3144477032	15,638.44	
93	5407632	1085	0	20170203	1,700.00	DR	RETURNED CHEQUE		
94	5407632	1085	0	20170203	5.00	DR	RTD CHQ SERVICE CHRG	13,933.44	
95	5407632	1085	0	20170206	7,083.33	DR	CHQ#00003-1142044938	6,850.11	
96	5407632	1085	5760	20170209	1,700.00	CR	ERROR CORRECTION		
97	5407632	1085	5760	20170209	5.00	CR	ERROR CORRECTION	8,555.11	
98	5407632	1085	1862	20170214	52,391.76	CR	GC 1862-DEPOSIT		
99	5407632	1085	1284	20170214	50,007.50	DR	CAD DRAFT 79148666	10,939.37	
100	5407632	1085	1085	20170217	23,687.76	CR	DEPOSIT	34,627.13	
101	5407632	1085	1085	20170228	19.00	DR	MONTHLY PLAN FEE	34,608.13	
102	5407632	1085	5905	20170301	1,850.00	DR	E TFR C0***tRX		
103	5407632	1085	5905	20170301	1.50	DR	E-TRANSFER FEE		
104	5407632	1085	0	20170301	7,279.39	DR	Home Trust Comp MTG		

105	5407632	1085	0	20170301	7,325.04	DR	Home Trust Comp MTG	18,152.20	
106	5407632	1085	0	20170302	8,067.08	DR	CHQ#00018-2140292428	10,085.12	
107	5407632	1085	0	20170303	293.84	DR	MONEY GATE CORP MTG	9,791.28	
108	5407632	1085	0	20170307	7,083.33	DR	CHQ#00004-3141193655	2,707.95	
109	5407632	1085	1085	20170321	22,687.76	CR	DEPOSIT		
110	5407632	1085	1085	20170321	20,000.00	DR	TRANSFER	5,395.71	
111	5407632	1085	1862	20170322	99,750.00	CR	GC 1862-DEPOSIT	105,145.71	
112	5407632	1085	1284	20170324	13,500.00	DR	GC 1284-TRANSFER	91,645.71	
113	5407632	1085	1922	20170328	597,412.30	CR	GC 1922-DEPOSIT		
114	5407632	1085	0	20170328	3,333.33	DR	MONEY GATE CORP MTG		
115	5407632	1085	0	20170328	4,497.45	DR	MONEY GATE CORP MTG		
116	5407632	1085	0	20170328	6,927.09	DR	MONEY GATE CORP MTG		
117	5407632	1085	0	20170328	21,354.17	DR	MONEY GATE CORP MTG		
118	5407632	1085	0	20170328	24,713.55	DR	MONEY GATE CORP MTG	628,232.42	
119	5407632	1085	1085	20170330	13,500.00	CR	170330W5945100TSFR		
120	5407632	1085	1284	20170330	60,007.50	DR	CAD DRAFT 80743914		
121	5407632	1085	1284	20170330	497,680.68	DR	CAD DRAFT 80743913		
122	5407632	1085	0	20170330	3,500.00	DR	CHQ#00014-4144330044	80,544.24	
123	5407632	1085	1085	20170331	19.00	DR	MONTHLY PLAN FEE	80,525.24	
124	5407632	1085	5905	20170403	1,850.00	DR	E TFR C0***MfR		
125	5407632	1085	5905	20170403	1.50	DR	E-TRANSFER FEE		
126	5407632	1085	315	20170403	5,000.00	CR	GC 0315-TRANSFER		
127	5407632	1085	315	20170403	35,007.50	DR	CAD DRAFT 81044651		
128	5407632	1085	0	20170403	7,279.39	DR	Home Trust Comp MTG		
129	5407632	1085	0	20170403	7,325.04	DR	Home Trust Comp MTG	34,061.81	
130	5407632	1085	868	20170404	21,687.76	CR	GC 0868-DEPOSIT		
131	5407632	1085	868	20170404	3,000.00	CR	GC 0868-TRANSFER		
132	5407632	1085	0	20170404	7,083.33	DR	CHQ#00005-0147639212		
133	5407632	1085	0	20170404	8,067.00	DR	CHQ#00019-3144651251	43,599.24	
134	5407632	1085	0	20170405	987.61	DR	MONEY GATE CORP MTG	42,611.63	
135	5407632	1085	0	20170406	21,687.76	DR	RETURNED CHEQUE		
136	5407632	1085	0	20170406	5.00	DR	RTD CHQ SERVICE CHRG	20,918.87	
137	5407632	1085	1284	20170407	227.23	DR	USD DRAFT 01539090	20,691.64	
138	5407632	1085	1862	20170425	244,700.00	CR	GC 1862-DEPOSIT		
139	5407632	1085	1922	20170425	399,833.18	CR	GC 1922-TRANSFER	665,224.82	
140	5407632	1085	1999	20170427	100,000.00	DR	GC 1999-TRANSFER	565,224.82	

2399029 ONTARIO INC.
Account Number 5407632 - 1085

141	5407632	1085	1085	20170428	50,000.00	DR	TRANSFER		
142	5407632	1085	1085	20170428	19.00	DR	MONTHLY PLAN FEE		
143	5407632	1085	1085	20170428	19.00	CR	ACCT BAL REBATE	515,224.82	
144	5407632	1085	0	20170501	7,279.39	DR	Home Trust Comp MTG		
145	5407632	1085	0	20170501	7,325.04	DR	Home Trust Comp MTG	500,620.39	
146	5407632	1085	2025	20170502	22,687.00	CR	TD ATM DEP 008525		
147	5407632	1085	0	20170502	8,067.08	DR	CHQ#00020-1140319854	515,240.31	
148	5407632	1085	1284	20170503	49,381.11	DR	WIRE TO CUSTOMER		
149	5407632	1085	0	20170503	2,202.73	DR	MONEY GATE CORP MTG		
150	5407632	1085	0	20170503	8,515.07	DR	MONEY GATE CORP MTG		
151	5407632	1085	0	20170503	9,999.99	DR	MONEY GATE CORP MTG		
152	5407632	1085	0	20170503	13,492.35	DR	MONEY GATE CORP MTG		
153	5407632	1085	0	20170503	20,781.27	DR	MONEY GATE CORP MTG		
154	5407632	1085	0	20170503	74,140.65	DR	MONEY GATE CORP MTG		
155	5407632	1085	0	20170503	120,630.86	DR	MONEY GATE CORP MTG	216,096.28	
156	5407632	1085	5905	20170508	1,850.00	DR	E TFR C0***bak		
157	5407632	1085	5905	20170508	1.50	DR	E-TRANSFER FEE		
158	5407632	1085	5905	20170508	1,000.00	DR	E TFR C0***kDP		
159	5407632	1085	5905	20170508	1.50	DR	E-TRANSFER FEE		
160	5407632	1085	0	20170508	7,083.33	DR	CHQ#00006-2143939339	206,159.95	
161	5407632	1085	1085	20170524	374,982.50	CR	170524S4026600WIRE		
162	5407632	1085	1284	20170524	403,754.98	DR	CAD DRAFT 80744212	177,387.47	
163	5407632	1085	7156	20170525	1,000.00	DR	TD ATM W/D 002322	176,387.47	
164	5407632	1085	1284	20170529	115,577.50	DR	CAD DRAFT 80744228	60,809.97	
165	5407632	1085	1284	20170531	275,000.00	CR	GC 1284-TRANSFER		
166	5407632	1085	1085	20170531	19.00	DR	MONTHLY PLAN FEE		
167	5407632	1085	1085	20170531	19.00	CR	ACCT BAL REBATE	335,809.97	
168	5407632	1085	0	20170601	7,279.39	DR	Home Trust Comp MTG		
169	5407632	1085	0	20170601	7,325.04	DR	Home Trust Comp MTG	321,205.54	
170	5407632	1085	1284	20170602	15,007.50	DR	CAD DRAFT 80744289		
171	5407632	1085	1284	20170602	115,570.00	CR	GC 1284-DEPOSIT		
172	5407632	1085	1284	20170602	48,930.97	DR	CAD DRAFT 80744265		
173	5407632	1085	1284	20170602	17,380.09	DR	CAD DRAFT 80744266		
174	5407632	1085	1284	20170602	44,195.68	DR	CAD DRAFT 80744267	311,261.30	
175	5407632	1085	5905	20170605	1,850.00	DR	E TFR C0***uVk		
176	5407632	1085	5905	20170605	1.50	DR	E-TRANSFER FEE	309,409.80	

2399029 ONTARIO INC.
Account Number 5407632 - 1085

177	5407632	1085	0	20170606	3,333.33	DR	MONEY GATE CORP MTG		
178	5407632	1085	0	20170606	4,497.45	DR	MONEY GATE CORP MTG		
179	5407632	1085	0	20170606	6,927.09	DR	MONEY GATE CORP MTG		
180	5407632	1085	0	20170606	11,666.67	DR	MONEY GATE CORP MTG		
181	5407632	1085	0	20170606	24,713.55	DR	MONEY GATE CORP MTG		
182	5407632	1085	0	20170606	36,197.92	DR	MONEY GATE CORP MTG	222,073.79	
183	5407632	1085	1284	20170607	22,687.00	CR	GC 1284-DEPOSIT		
184	5407632	1085	1284	20170607	22,694.50	DR	CAD DRAFT 80744297	222,066.29	
185	5407632	1085	1284	20170608	50,000.00	CR	GC 1284-TRANSFER		
186	5407632	1085	531	20170608	263,382.74	DR	CAD DRAFT 81616906		
187	5407632	1085	531	20170608	965.50	DR	CAD DRAFT 81616907	7,718.05	
188	5407632	1085	0	20170609	7,083.33	DR	CHQ#00007-3141750971	634.72	
189	5407632	1085	1284	20170613	93,111.65	CR	GC 1284-DEPOSIT		
190	5407632	1085	1284	20170613	93,119.15	DR	CAD DRAFT 80744329	627.22	
191	5407632	1085	5760	20170627	150,000.00	CR	FR 5414221	150,627.22	
192	5407632	1085	1085	20170630	19.00	DR	MONTHLY PLAN FEE		
193	5407632	1085	1085	20170630	2.50	DR	SERVICE CHARGE	150,605.72	
194	5407632	1085	0	20170704	7,279.39	DR	Home Trust Comp MTG		
195	5407632	1085	0	20170704	7,325.04	DR	Home Trust Comp MTG	136,001.29	
196	5407632	1085	0	20170706	3,333.33	DR	MONEY GATE CORP MTG		
197	5407632	1085	0	20170706	4,497.45	DR	MONEY GATE CORP MTG		
198	5407632	1085	0	20170706	6,927.09	DR	MONEY GATE CORP MTG		
199	5407632	1085	0	20170706	11,666.67	DR	MONEY GATE CORP MTG		
200	5407632	1085	0	20170706	24,713.55	DR	MONEY GATE CORP MTG		
201	5407632	1085	0	20170706	36,197.92	DR	MONEY GATE CORP MTG	48,665.28	
202	5407632	1085	1284	20170710	4,133.15	DR	WIRE TO CUSTOMER		
203	5407632	1085	1284	20170710	3,000.00	DR	GC 1284-CASH WITHDRA		
204	5407632	1085	0	20170710	7,083.33	DR	CHQ#00008-4142149308	34,448.80	
205	5407632	1085	1085	20170731	10,007.50	DR	CAD DRAFT 81745343		
206	5407632	1085	1284	20170731	20,000.00	DR	GC 1284-TRANSFER		
207	5407632	1085	1085	20170731	19.00	DR	MONTHLY PLAN FEE	4,422.30	
208	5407632	1085	0	20170801	7,279.39	DR	Home Trust Comp MTG		
209	5407632	1085	0	20170801	7,325.04	DR	Home Trust Comp MTG		
210	5407632	1085	1085	20170802	7,325.04	CR	RTN NOT AUTH		
211	5407632	1085	1085	20170802	7,279.39	CR	RTN NOT AUTH	4,422.30	
212	5407632	1085	0	20170802	7,083.33	DR	CHQ#00009-4143801906	-2,661.03	

213	5407632	1085	5760	20170803	12.50	DR	STOP PAYMENT FEE		
214	5407632	1085	1085	20170804	7,083.33	CR	RTN#00009 STOP PAYT	4,409.80	
215	5407632	1085	5760	20170804	12.50	CR	CREDIT MEMO	4,422.30	
216	5407632	1085	1922	20170808	38.01	CR	GC 1922-TRANSFER	4,460.31	
217	5407632	1085	1284	20170810	4,000.00	DR	GC 1284-TRANSFER	460.31	
218	5407632	1085	1085	20170831	19.00	DR	MONTHLY PLAN FEE		
219	5407632	1085	1085	20170831	1.53	DR	OVERDRAFT INTEREST	439.78	
220	5407632	1085	0	20170901	7,279.39	DR	Home Trust Comp MTG		
221	5407632	1085	0	20170901	8,266.45	DR	Home Trust Comp MTG		
222	5407632	1085	1085	20170905	8,266.45	CR	RTN NOT AUTH		
223	5407632	1085	1085	20170905	7,279.39	CR	RTN NOT AUTH	439.78	
224	5407632	1085	1076	20170908	47,305.58	CR	GC 1076-TRANSFER		
225	5407632	1085	1076	20170908	47,313.08	DR	CAD DRAFT 82640284		
226	5407632	1085	0	20170908	7,083.33	DR	CHQ#00010-1143400677	-6,651.05	
227	5407632	1085	1085	20170912	7,083.33	CR	RTN#00010 NSF	432.28	
228	5407632	1085	1085	20170929	19.00	DR	MONTHLY PLAN FEE		
229	5407632	1085	1085	20170929	11.48	DR	OVERDRAFT INTEREST	401.80	
230	5407632	1085	0	20171002	7,457.94	DR	Home Trust Comp MTG		
231	5407632	1085	0	20171002	8,266.45	DR	Home Trust Comp MTG		
232	5407632	1085	1085	20171003	8,266.45	CR	RTN NOT AUTH		
233	5407632	1085	1085	20171003	7,457.94	CR	RTN NOT AUTH	401.80	
234	5407632	1085	1085	20171031	19.00	DR	MONTHLY PLAN FEE	382.80	
235	5407632	1085	0	20171101	7,457.94	DR	Home Trust Comp MTG		
236	5407632	1085	0	20171101	8,266.45	DR	Home Trust Comp MTG		
237	5407632	1085	1085	20171102	7,457.94	CR	RTN NOT AUTH		
238	5407632	1085	1085	20171102	8,266.45	CR	RTN NOT AUTH	382.80	
239	5407632	1085	1482	20171109	46,065.48	CR	GC 1482-DEPOSIT	46,448.28	
240	5407632	1085	1085	20171121	39,655.21	DR	CAD DRAFT 83558409		
241	5407632	1085	1085	20171121	6,500.00	DR	TRANSFER	293.07	
242	5407632	1085	1085	20171130	19.00	DR	MONTHLY PLAN FEE	274.07	
243	5407632	1085	0	20171201	7,457.94	DR	Home Trust Comp MTG		
244	5407632	1085	0	20171201	8,266.45	DR	Home Trust Comp MTG		
245	5407632	1085	1085	20171204	7,457.94	CR	RTN NOT AUTH		
246	5407632	1085	1085	20171204	8,266.45	CR	RTN NOT AUTH	274.07	
247	5407632	1085	1085	20171205	353,982.50	CR	171205S8953600WIRE		
248	5407632	1085	1085	20171205	354,000.00	DR	TRANSFER	256.57	

2399029 ONTARIO INC.
Account Number 5407632 - 1085

249	5407632	1085	1085	20171206	400,000.00	CR	DEPOSIT		
250	5407632	1085	1085	20171206	400,000.00	DR	TRANSFER	256.57	
251	5407632	1085	182	20171208	400,000.00	CR	GC 0182-DEPOSIT		
252	5407632	1085	1085	20171208	361,000.00	DR	TRANSFER	39,256.57	
253	5407632	1085	1085	20171211	39,007.50	DR	CAD DRAFT 83558691	249.07	
254	5407632	1085	1085	20171229	19.00	DR	MONTHLY PLAN FEE	230.07	
255	5407632	1085	0	20180102	7,457.94	DR	Home Trust Comp MTG		
256	5407632	1085	0	20180102	8,266.45	DR	Home Trust Comp MTG		
257	5407632	1085	1085	20180103	7,457.94	CR	RTN NOT AUTH		
258	5407632	1085	1085	20180103	8,266.45	CR	RTN NOT AUTH	230.07	
259	5407632	1085	5905	20180103	1,928.50	CR	E-TRANSFER CA***ycy	2,158.57	
260	5407632	1085	1284	20180117	1,928.50	DR	GC 1284-TRANSFER	230.07	
261	5407632	1085	1085	20180131	19.00	DR	MONTHLY PLAN FEE	211.07	
262	5407632	1085	1085	20180228	19.00	DR	MONTHLY PLAN FEE	192.07	
263	5407632	1085	1085	20180329	19.00	DR	MONTHLY PLAN FEE	173.07	
264	5407632	1085	0	20180402	7,457.94	DR	Home Trust Comp MTG		
265	5407632	1085	0	20180402	8,266.45	DR	Home Trust Comp MTG		
266	5407632	1085	1085	20180403	8,266.45	CR	RTN NOT AUTH		
267	5407632	1085	1085	20180403	7,457.94	CR	RTN NOT AUTH	173.07	
268	5407632	1085	5905	20180430	1,928.50	CR	E-TRANSFER CA***D7U		
269	5407632	1085	5905	20180430	1,928.50	DR	SEND E-TFR CA***acX		
270	5407632	1085	5905	20180430	1.50	DR	SEND E-TFR FEE		
271	5407632	1085	5905	20180430	1,928.50	CR	CANCEL ETFR CA***acX		
272	5407632	1085	5905	20180430	1,928.50	DR	SEND E-TFR CA***azZ		
273	5407632	1085	5905	20180430	1.50	DR	SEND E-TFR FEE		
274	5407632	1085	5905	20180430	1,928.50	CR	CANCEL ETFR CA***azZ		
275	5407632	1085	1215	20180430	2,000.00	DR	GC 1215-CASH WITHDRA		
276	5407632	1085	1085	20180430	19.00	DR	MONTHLY PLAN FEE	79.57	
277	5407632	1085	0	20180501	7,457.94	DR	Home Trust Comp MTG		
278	5407632	1085	0	20180501	8,266.45	DR	Home Trust Comp MTG		
279	5407632	1085	1085	20180502	7,457.94	CR	RTN NOT AUTH		
280	5407632	1085	1085	20180502	8,266.45	CR	RTN NOT AUTH	79.57	
281	5407632	1085	1085	20180531	19.00	DR	MONTHLY PLAN FEE	60.57	
282	5407632	1085	0	20180601	7,457.94	DR	Home Trust Comp MTG		
283	5407632	1085	0	20180601	8,266.45	DR	Home Trust Comp MTG	-15,663.82	
284	5407632	1085	1085	20180605	8,266.45	CR	RTN NOT AUTH		

2399029 ONTARIO INC.
Account Number 5407632 - 1085

285	5407632	1085	1085	20180605	7,457.94	CR	RTN NOT AUTH	60.57	
286	5407632	1085	1085	20180629	19.00	DR	MONTHLY PLAN FEE		
287	5407632	1085	1085	20180629	27.04	DR	OVERDRAFT INTEREST	14.53	
288	5407632	1085	1085	20180719	250.00	CR	TRANSFER	264.53	
289	5407632	1085	1085	20180731	19.00	DR	MONTHLY PLAN FEE	245.53	

This is Exhibit "M" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

Ontario ServiceOntario

LAND REGISTRY OFFICE #54

61347-0434 (LT)

PREPARED FOR CCPellerin
ON 2016/12/05 AT 16:17.37

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT NLY PT LT 10 CON 5 BUCKE AS IN NND1035 EXCEPT PT 1 54R2391, PT 7, 9 & 10 54R2533 SURFACE RIGHTS ONLY , PT 1 54R2573 SURFACE RIGHTS ONLY, T/W PT 1 54R3285 AS IN LT261674; TEMISKAMING SHORES ; DISTRICT OF TIMISKAMING, TOGETHER WITH AN EASEMENT OVER PT 1 54R5557 AS IN DT31882

PROPERTY REMARKS: CROWN GRANT SEE NP2933.

ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE

RECENTLY: DIVISION FROM 61347-0204

PIN CREATION DATE: 2011/10/21

OWNERS' NAMES: MANSTEEL NEW LISKEARD INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE: 2011/10/21 **						
LT215041	1981/01/28	NOTICE				C
54R2489	1982/07/20	PLAN REFERENCE				C
54R2533	1983/01/05	PLAN REFERENCE				C
54R2573	1983/04/25	PLAN REFERENCE				C
LT228340	1983/12/22	NOTICE				C
LT249409	1987/12/08	RELEASE				C
LT295094	1996/11/20	CERTIFICATE				C
REMARKS: PROHIBITION OF ENVIRONMENTAL PROTECTION ACT						
DT25130	2010/07/09	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** UNIBOARD NEW LISKEARD INC.	UNIBOARD CANADA INC.	
DT28837	2011/03/24	APL ANNEX REST COV		UNIBOARD CANADA INC.		C
DT35724	2012/06/19	TRANSFER	$2	UNIBOARD CANADA INC.	MANSTEEL NEW LISKEARD INC.	C
REMARKS: PLANNING ACT STATEMENTS						
DT41512	2013/07/30	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** PRIESTLY DEMOLITION INC.		
DT42169	2013/09/13	CHARGE	$300,000	MANSTEEL NEW LISKEARD INC.	CANADA CAPITAL CORPORATION INC	C
DT42987	2013/10/29	NO CHNG ADDR OWNER		MANSTEEL NEW LISKEARD INC.		C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

Ontario ServiceOntario

LAND
REGISTRY
OFFICE #54

61347-0434 (LT)

PREPARED FOR CCPellerin
ON 2016/12/05 AT 16:17:37

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
DT44116	2014/01/16	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** PRIESTLY DEMOLITION INC.		
REMARKS: DT41512.						
DT45528	2014/05/26	APL (GENERAL)		SUPERIOR COURT OF JUSTICE		C
REMARKS: CERTIFICATE OF PENDING LITIGATION						
DT48892	2015/02/06	CONSTRUCTION LIEN	$229,290	JAMES LATHEM EXCAVATING LIMITED		C
DT49374	2015/03/20	CERTIFICATE		JAMES LATHEM EXCAVATING LIMITED		C
REMARKS: DT48892 CERTIFICATE OF ACTION						
DT55580	2016/07/13	CHARGE	$3,475,000	MANSTEEL NEW LISKEARD INC	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
DT55581	2016/07/13	NO ASSGN RENT GEN		MANSTEEL NEW LISKEARD INC.	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
REMARKS. DT55580						
DT56077	2016/08/24	TRANSFER OF CHARGE		CANADA CAPITAL CORPORATION INC	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
REMARKS: DT42169.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LRO # 54 **Charge/Mortgage** | **Registered as DT55580** on 2016 07 13 at 11:18

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd Page 1 of 12

Properties

PIN	61347 – 0434 LT	*Interest/Estate*	Fee Simple
Description	PT NLY PT LT 10 CON 5 BUCKE AS IN NND1035 EXCEPT PT 1 54R2391, PT 7, 9 & 10 54R2533 SURFACE RIGHTS ONLY , PT 1 54R2573 SURFACE RIGHTS ONLY; T/W PT 1 54R3285 AS IN LT261674, TEMISKAMING SHORES ; DISTRICT OF TIMISKAMING, TOGETHER WITH AN EASEMENT OVER PT 1 54R5557 AS IN DT31882		
Address	1107 LAKESHORE RD SOUTH NEW LISKEARD		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s) The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name	MANSTEEL NEW LISKEARD INC.
Address for Service	1 Adelaide Street East, Suite 801 Toronto, Ontario M5C 2V9

I, Sahebdivani, Hosseinali, have the authority to bind the corporation

This document is not authorized under Power of Attorney by this party.

Chargee(s) *Capacity* *Share*

Name	MONEY GATE MORTGAGE INVESTMENT CORPORATION
Address for Service	25 Mallard Road Toronto, Ontario M3B 1S4

Provisions

Principal	$3,475,000 00	*Currency*	CDN
Calculation Period	Monthly, not in advance		
Balance Due Date	2017/01/11		
Interest Rate	12 5%		
Payments	$7,291.67		
Interest Adjustment Date	2016 07 11		
Payment Date	11th day of every month		
First Payment Date	2016 08 11		
Last Payment Date	2017 01 11		
Standard Charge Terms	200433		
Insurance Amount	full insurable value		
Guarantor	Sahebdivani, Hosseinali		

Additional Provisions

See Schedules

Signed By

Behrouz Amouzgar	685 Sheppard Ave East, Suite 507 Toronto M2K 1B6	acting for Chargor (s)	Signed	2016 07 13

Tel 416-539-7263

Fax 416-539-0329

I have the authority to sign and register the document on behalf of the Chargor(s)

Submitted By

LEXPAND LEGAL PROFESSIONAL CORPORATION	685 Sheppard Ave East, Suite 507 Toronto M2K 1B6	2016 07 13

Tel 416-539-7263

Fax 416-539-0329

Fees/Taxes/Payment

Statutory Registration Fee	$62.85
Total Paid	$62.85

File Number

Chargee Client File Number : 00651

ADDITIONAL PROVISIONS

For the purpose of this Charge/Mortgage, the terms "Charge", "Chargor" and "Chargee" shall also mean "Mortgage", "Mortgagor" and "Mortgagee", respectively.

TER M

The term of the mortgage is for twelve (12) months from the date of registration with Interest only payments.

FEES AND COSTS

NOTWITHSTANDING anything to the contrary contained in the Standard Charge Terms (and in the event of any contradiction, the following provisions shall prevail), the Chargor covenants and agrees with the Chargee as follows:

To pay to the Chargee its administration and/or servicing fees and the Chargee's legal fees and disbursements plus all applicable goods and services taxes, including the following matters in the amounts set forth.

1. The Chargor agrees to pay all fees included in the commitment letter dated June 21, 2016 (the "Commitment"), and

2 The Chargor agrees to pay all legal and other expenses incurred by the Chargee in connection with the preparation and registration of any security interests pursuant to the Personal Property Security Act and any renewals thereof forthwith upon demand and such fees and expenses, together with interest thereon at the interest rate charges hereunder, shall be added to the principal sum secured by the within charge if not paid by the Chargor.

DEFAULT

In the event that:

1 the Chargor(s) sell, transfer or in any way dispose of the herein properties;

2. the Chargor(s) undergo a change of ownership or control of the Chargor corporation, or

3. the Chargor(s) default on any permitted encumbrances,

the herein Charge/Mortgage shall, at the option of the Chargee(s), become due and payable in full.

The Chargor(s) acknowledge that the Chargee may call back all amounts secured pursuant to this Charge in the event of non-compliance of any of the covenants in this schedule by the Chargor(s).

CROSS DEFAULT

The occurrence of an event of default under the provisions of this Charge or under any security document or pursuant to any charge or security document between the Chargor and the Chargee, including any document pursuant to which the Chargor is a guarantor, shall be deemed to be an event of default under all such security documents and shall entitle the Chargee to pursue its remedies under any or all of the aforesaid security documents.

NON-MERGER

Notwithstanding the registration of this Mortgage and the advance of funds hereunder, the terms and provisions of the Commitment shall remain binding and effective upon the parties. It is understood and agreed that any default under the said Commitment shall be deemed a default under this Mortgage. In the event of an inconsistency between the terms of the Mortgage and the terms of the Commitment, the Mortgagee may, in its sole discretion, determine which shall prevail

POSSESSION UPON DEFAULT

Upon default in payment of principal or interest under this Charge or in performance of any of the terms and conditions hereof, the Chargee may enter into and take possession of the land hereby charged, free of all manner of former conveyances, mortgages, charges or encumbrances without the let, suit, hindrance, interruption or denial of the Chargor or any other person whatsoever

PREPAYMENT PROVISIONS

The Chargor(s) when not in default, during the term, shall have the right to prepay all of the principal sum secured hereunder on any payment date upon the payment of a bonus equal to three month's interest, provided such payment includes all amounts owing in accordance with the terms of the Commitment together with all accrued and unpaid interest to the date of payment.

PAYMENTS

ANY DISCHARGE of this charge shall be prepared by the Chargee at the Chargor's expense within a reasonable time after repayment of the principal sum secured herein together with accrued interest thereon. All payments hereunder shall be made to the Chargee at the address advised by the Chargee or such other place as the Chargor is notified of from time to time

All payments received after 2:00 pm shall be deemed to have been received on the following business day.

The Chargor acknowledges and agrees that any payments made to discharge the said Charge to the Chargees' Solicitors or any other authorized agents of the Chargee are not deemed made until the same are received by the Chargee are available at law

SEVERABILITY

If any covenant, obligation or provision contained in this Charge, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Charge or application of such covenant, obligation or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each covenant, obligation or provision of this Charge shall be separately valid and enforceable to the fullest extent permitted by law.

CONFLICT/AMBIGUITY

Where conflict or ambiguity exists or arises between any one or more of the provisions contained in this Schedule and any one or more of the provisions contained in the standard charge terms, the provisions contained in this Schedule or the provision of the Mortgage Commitment, the mortgagee at his/her /its sole discretion shall determine as to which provision shall prevail.

SUBSEQUENT ENCUMBRANCES

Any further encumbrances on the property must be approved in writing by the Chargee prior to the Chargor securing those encumbrances. In the event the Chargor further encumbers the property without the prior written consent of the Chargee, such further encumbering shall constitute a default under this mortgage and in such event, at the sole option of the Chargee, all money owing under the herein mortgage shall immediately become due and payable plus all accrued interest, fees and costs and penalties. Furthermore, in case of grant of consent to any encumbrances, the Chargor(s) shall obtain an acknowledgement of priority of the Chargee to the new charge(s), in the form provided by the Chargee's solicitor. Notwithstanding the foregoing, in the event of registration of a construction lien and notice of secondary interest and/or certificate of pending litigation against the Property, the Chargor(s) shall have fifteen (15) days from date of notice of said lien, from the lien holder and/or the Chargee(s), whichever is received sooner, to vacate, and/or otherwise discharge the lien, failing which such failure to vacate and/or discharge shall be deemed a default pursuant to the terms of the Charge, and the herein Charge/Mortgage shall, at the option of the Chargee(s) become due and payable in full

LEGAL PROCEEDINGS

In the event that the Chargee(s) shall, without fault on its part, be made a party to any litigation commenced by or against the Chargor, the Chargor shall protect and hold the Chargee(s) harmless therefrom and shall pay all costs, expenses and solicitors and counsel's fees on a solicitor and his own client basis Such costs shall be a charge on the lanes and may be added to the loan secured hereby.

PAYMENT OF OTHER CHARGES AND PERFORMANCE OF THEIR OBLIGATIONS BY THE CHARGEE

The Chargor covenants and agrees with the Chargee to pay all property taxes, public utility rates and charges related to the property as and when they become due, to keep all prior encumbrances, charges, mortgages and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work, work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind, the failure of the Chargor to comply with this covenant shall constitute an event of default hereunder and entitle the Chargee at its sole option to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs

In addition, at the Chargee's sole option, the Chargor hereby agrees that the Chargee may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrance now or hereafter existing or to arise or be claimed upon the charged lands and the amount so paid together with all cost associated therewith shall be added to the principal sum hereby secured and bear interest at the rate of interest set forth herein and shall be payable forthwith by the Chargor to the Chargee and in default of payment, the entire principal sum, accrued interest and costs, shall become payable at the option of the Chargee and the remedies hereby given and available at law may be exercised forthwith without notice. In the event of the Chargee satisfying any such charge or claim, the Chargee shall be entitled to all equities and securities of the person or persons so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

BANKRUPTCY AND INSOLVENCY

THE CHARGOR hereby waives and releases any right that it may have to receive from the Chargee notice of intention to enforce security pursuant to subsection 244(1) of the Bankruptcy and Insolvency Act (Canada). This waiver and release shall not be deemed or interpreted to be a prior consent to earlier enforcement of a security within the meaning of subsection 244(2.1) of the said Act

THE CHARGOR hereby acknowledges and agrees that the security held by the Chargee is not all or substantially all of the inventory, accounts receivable or other property of the Chargor acquired for or used in relation to any business carried on by the Chargor. The Chargor hereby further acknowledges and agrees that notwithstanding any act of the Chargee by way of appointment of any person or persons for the purposes of taking possession of the Lands as agent on behalf of the Chargor or otherwise of by taking possession of the Lands itself pursuant to any rights that the Chargee may have with respect thereto shall not constitute the Chargee or any such person, a receiver within the meaning subsection 243(2) of the Bankruptcy and Insolvency Act (Canada) whether, and that any and all requirements of Part XI of the said Act as it may pertain to obligations of receivers shall not be applicable to the Chargee with respect to the transaction pursuant to which this Charge has been given or enforcement of this Charge or any other security held by the Chargee. The Chargor hereby acknowledges and agrees that no action shall lie against the Chargee as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the Bankruptcy and Insolvency Act (Canada) whether or not the Chargee had reasonable grounds to believe that the Chargor was not insolvent.

AND THE CHARGOR further acknowledges and agrees that any and all Costs as may be incurred from time to time by the Chargee in order to effect compliance or avoid any adverse ramifications of the Bankruptcy and Insolvency Act (Canada) shall be entirely for the account of the Chargor. The Chargee shall be entitled to incur any such Costs, including any costs of its personnel in administering any requirements of the said Act and to add the same to the indebtedness owing pursuant hereto and the same shall be secured hereunder and under any and all security held by the Chargee for the indebtedness owing to the Chargee in the same manner and in the same priority as the principal secured hereunder

INDEPENDENT LEGAL REPRESENTATION

The Chargors acknowledge that they have full knowledge of the purpose and essence of this Charge/Mortgage transaction, and that they have been appropriately and independently legally represented in that regard. The Parties agree to provide to the Chargee a Certificate of Independent Legal Representation as and when the same may be required, regarding their knowledge and understanding of this transaction.

ADMINISTRATION FEES

The Mortgagee/Chargee shall charge an administration fee, as determined and posted by the Mortgagee from time to time, for each occurrence of any of the following events: late payment, cheque dishonoured for any reason, failure to provide post-dated cheques, request for a Mortgage Statement, discharge of Mortgage Such administration fees will be added to the principal amount if not paid.

SERVICE FEE

Should the Chargee take any proceedings as provided for in the within Mortgage by reason of the Chargor's default, the Chargee shall be entitled to add to the Mortgage account the Chargee's then current service fee in addition to all other fees, costs, claims or demands to which the Chargee is also entitled.

STATEMENT OF MORTGAGE BALANCE

With the exception of a Statement of Mortgage Advances and Statement of Mortgage Balance upon maturity of this loan, the Chargee shall be paid its then current fee for each request for a Statement of Mortgage, to be paid in advance.

AUTOMATIC RENEWAL

In the event that the Chargor fails to repay the principal and interest outstanding on the maturity date (or extended maturity date if the original maturity date is extended pursuant to the Renewal clause hereinafter set forth), or fails to accept a renewal offer tendered by the Chargee (for any reason not attributable to the Chargee) within 10 business days of the maturity date, then the Chargee may at its sole option, automatically renew this mortgage for a period of one month from the maturity date, at an interest rate equal to The Toronto-Dominion Bank prime rate plus 10.00% per annum, calculated and payable monthly In the event that the renewal has not been finalized within this one-month period, then there will be no further extensions, and the Chargee will exercise its remedies under the mortgage charge The Chargee shall not be obligated to offer any renewal. All other terms and covenants under the existing mortgage shall continue to apply The mortgage may be paid in full at any time during the one month renewal period and a Processing Fee which is equal to three (3) months interest on the principal balance outstanding.

TAXES

THE CHARGOR in addition to the aforesaid payments of principal and interest, covenants and agrees to pay taxes as hereinafter provided. In the event the Chargor defaults in the payment of realty taxes and at the Chargee's option, the Chargee shall estimate the amount of the taxes chargeable against the said lands payable in each year and the Chargor shall pay to the Chargee one-twelfth of the estimated annual amount together with the aforesaid payments of principal and interest in each and every month during the term of this charge, commencing with the first payment date aforesaid and the Chargee shall apply such payments on the taxes so long as the Chargor is not in default under this charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of the taxes oftener than yearly; provided, however, that if the Chargor shall pay any sum or sums to the Chargee to apply on the taxes, and if before the same shall have been so applied there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payments of the principal and/or interest in default, and in the event that the taxes actually charged for any one year, together with any interest and penalties thereon, exceed the estimated amount, the Chargor shall pay to Chargee on demand the amount required for that purpose; and the Chargor shall transmit to the Chargee forthwith after receiving them the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands. The Chargor further agrees to pay to the Chargee an annual administration charge of $500.00 for collection and payment of the property taxes payable annually in advance commencing on the funding date.

TAXES shall mean and include all taxes, rates and assessments of whatever nature or kind, including local improvement rates and any and all interest and penalties thereon.

THE CHARGEE MAY, unless payment has otherwise been made, deduct from the charge advances, an amount necessary to pay the current year's taxes and an amount which together with the monthly tax payments to be made to and including April of the following calendar year, will be sufficient to pay the taxes for the following calendar year.

NO MONEYS paid to the Chargee pursuant to the foregoing shall be held in trust and shall not bear interest to the credit of the Chargor

THE FOREGOING tax clause is in addition to and without prejudice to the other provisions of the within charge in regard to realty taxes.

INSURANCE RENEWAL

The Chargee shall be entitled to its standard servicing fee for dealing with each cancellation, premium payment or other non-compliance with insurance requirements. In the event that the evidence of continuation of insurance as herein required has not been delivered to the Chargee, the Chargee shall be entitled to its standard servicing fee for each written inquiry which the Chargee shall make to the insurer pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenant) In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee in addition to the aforenoted servicing fee shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

APPOINTMENT OF RECEIVER

AT ANY TIME after the security hereby constituted becomes enforceable, or the monies hereby secured shall have become payable, the Chargee may from time to time appoint by writing a Receiver of the lands, with or without Bond, and may from time to time remove the Receiver and appoint another in his stead, and any such Receiver appointed hereunder shall have the following powers:

a) To take possession of the charged lands and to collect and get in the same and for such purpose to enter into and upon any lands, buildings and premises wheresoever and whatsoever and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as he shall deem necessary;

b) To carryon or concur in carrying on the business of the Chargor, and to employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as he shall think proper, and to repair and keep in repair the charged lands and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the said charged lands of the Chargor;

c) To sell or lease or concur in selling or leasing any or all of the charged lands, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise and any such sale may be made either at public auction or private sale as seen fit by the Receiver and any such sale may be made from time to time as to the whole or any part or parts of the charged lands, and he may make any stipulations as to title or conveyance or commencement of title or otherwise which he shall deem proper; and he may buy or rescind or vary any contracts for the sale of any part of the charged lands and may resell the same; and he may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in his sole opinion to be most advantageous and at such prices as can reasonably be obtained therefore and in the event of a sale on credit neither he nor the Chargee shall be accountable for or charged with any monies until actually received;

d) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification of change in or omission from the provisions of this charge and the exchange any part or parts of the charged lands for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;

e) To borrow money to carry on the business of the Chargor and to charge the whole or any part of the charged lands in such amounts as the Receiver may from time to time deem necessary and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the charged lands in priority to this charge;

f) To execute and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the charged lands, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defense of any suit, proceeding or action then pending or, thereafter instituted and to appeal any suit, proceeding or action;

g) To execute and deliver to the purchaser of any part or parts of the charged lands, good and sufficient deeds for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deed, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other personas claiming the said property or any part or parcels thereof by, from through or under the Chargor, and the proceeds of any such sale shall be distributed in the matter hereinafter provided;

AND IT IS AGREED that no purchaser at any sale purporting to be made in pursuance of the aforesaid power or powers shall be bound or concerned to see or inquire whether any default has been made or continued, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which such sale shall have been made, or otherwise as to the propriety of such sale or regularity of its proceedings, or be affected by notice that no such default has been made or continues, or notice given as aforesaid, or that the sale is otherwise unnecessary, improper or irregular; and notwithstanding any impropriety or irregularity or notice thereof to such purchaser, the sale as regards such purchaser shall be deemed to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Chargor, or of any party claiming by or under it, in respect of any impropriety or irregularity whatsoever in any such sale shall be in damages only.

The net profits of the business of the Chargor and the net proceeds of any sale of the charged lands or part thereof shall be applied by the Receiver subject to the claims of any creditors ranking in priority to this charge;

a) Firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by him;

b) Secondly, in payment of all costs, charges and expenses payable hereunder,

c) Thirdly, in payment of the Chargee of the principal sum owing hereunder;

d) Fourthly, in payment to the Chargee of all interest and arrears of interest and any other monies remaining unpaid hereunder; and

e) Fifthly, any surplus shall be paid to the Chargor; provided that in the event that any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.

The Chargee shall not be liable to the Receiver for his remuneration costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising unless the same shall be caused by his own gross negligence or willful default, and he shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and for his remuneration.

PAYMENT OF COSTS

The Chargor shall pay to the Chargee on demand all legal fees payable on a solicitor and his own client basis, costs and out-of-pocket expenses incurred by any of the Chargee, its agents, officers and employees with respect to.

a) The preparation of this Charge, any renewals thereof and related security documents (the "Security Documents") and any other documents, agreements and instruments required pursuant hereto or thereto and any costs associated with realization under this Charge or the Security Documents;

b) The Chargee obtaining advice as to its rights and responsibilities under this Charge or any of the instruments and documents comprising the Security Documents or relating thereto or in the event of exercise of any or all of its remedies hereunder or there under;

c) The exercising of any or all of the rights, remedies and powers of the Chargee under this Charge or any of the instruments and documents comprising the Security Documents or relating thereto, or in defending or taking any measures to defend any action, claim, cause of action or in proceedings directly or indirectly relating to the provisions of an such instrument or document;

d) Any or all of the taking of, recovering of possession of any assets or property of the Chargor, or any proceedings taken for the purpose of enforcing any rights or remedies provided in this Charge or in any instrument or document comprising the Security Documents or relating thereto, or any proceedings otherwise taken in relation to any assets or property of the Chargor or subject to the security given by the Chargor to the Chargee, or any proceedings taken by reason of any non-payment or nonperformance of the obligations of the Chargor hereunder; and

e) Any appraisals, environmental reports, engineering reports, cost consultants reports, or any other reports obtained at any time by the Chargee relating to the charged property.

In the event the Chargor fails to pay any such legal fees, costs and expenses to the Chargee forthwith upon demand by the Chargee, then the amount of such unpaid legal fees, costs and expenses shall be added to the mortgage indebtedness secured hereunder and shall bear interest at the rate herein set forth.

LIMIT ON RATE OF INTEREST

(a) Adjustment

If any provision of the Commitment, this Charge or any other security document would oblige the Chargor to make any payment of interest or other amount payable to the Chargee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Chargee of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in receipt by the Chargee of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows:

i firstly, by reducing the amount or rate of interest required to be paid hereunder as applicable; and

ii. thereafter, by reducing any fees, commissions, premiums and other amounts, which would constitute interest for purposes of Section 347 of the Criminal Code (Canada).

(b) Reimbursement

If, notwithstanding the provisions subsection (a) above, and after giving effect to all adjustments contemplated thereby, the Chargee shall have received an amount in excess of the maximum permitted by such subsection, then the Chargor shall be entitled, by notice in writing to the Chargee, to obtain reimbursement from the Chargee of an amount equal to such excess, and pending such reimbursement such amount shall be deemed to be an amount payable by the Chargee to the Chargor

(c) Calculation

Any amount or rate of interest referred to in this Section shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term of any revolving loan on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code Canada) shall, if they relate to a specific period of time be prorated over that period of time and otherwise be prorated over the period from the date of this charge to the maturity date thereof and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Chargee shall be conclusive for the purposes of such determination.

SERVICE FEE

Any service fee owing by the Chargor to the Chargee which is not paid shall be added to the mortgage indebtedness and shall bear interest at the rate herein set forth.

LRO # 54 **Notice Of Assignment Of Rents-General** **Registered as DT55581** on 2016 07 13 at 11:18

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd Page 1 of 2

Properties

PIN	61347 – 0434 LT
Description	PT NLY PT LT 10 CON 5 BUCKE AS IN NND1035 EXCEPT PT 1 54R2391, PT 7, 9 & 10 54R2533 SURFACE RIGHTS ONLY , PT 1 54R2573 SURFACE RIGHTS ONLY; T/W PT 1 54R3285 AS IN LT261674; TEMISKAMING SHORES , DISTRICT OF TIMISKAMING, TOGETHER WITH AN EASEMENT OVER PT 1 54R5557 AS IN DT31882
Address	1107 LAKESHORE RD SOUTH NEW LISKEARD

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name	MANSTEEL NEW LISKEARD INC.
Address for Service	1 Adelaide Street East, Suite 801 Toronto, Ontario M5C 2V9

I, Sahebdivani, Hosseinali, have the authority to bind the corporation

This document is not authorized under Power of Attorney by this party

Party To(s) *Capacity* *Share*

Name	MONEY GATE MORTGAGE INVESTMENT CORPORATION
Address for Service	25 Mallard Road Toronto, Ontario M3B 1S4

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, DT55580 registered on 2016/07/13 to which this notice relates is deleted

Signed By

Behrouz Amouzgar	685 Sheppard Ave East, Suite 507 Toronto M2K 1B6	acting for Applicant(s)	Signed	2016 07 13

Tel 416-539-7263

Fax 416-539-0329

I have the authority to sign and register the document on behalf of all parties to the document.

Behrouz Amouzgar	685 Sheppard Ave East, Suite 507 Toronto M2K 1B6	acting for Party To (s)	Signed	2016 07 13

Tel 416-539-7263

Fax 416-539-0329

I have the authority to sign and register the document on behalf of all parties to the document.

Submitted By

LEXPAND LEGAL PROFESSIONAL CORPORATION	685 Sheppard Ave East, Suite 507 Toronto M2K 1B6	2016 07 13

Tel 416-539-7263

Fax 416-539-0329

Fees/Taxes/Payment

Statutory Registration Fee	$62 85
Total Paid	$62 85

LRO # 54 **Notice Of Assignment Of Rents-General** **Registered as DT55581** on 2016 07 13 at 11:18

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd Page 2 of 2

File Number

Party To Client File Number : 00651

LRO # 54 **Transfer Of Charge** **Registered as DT56077** on 2016 08 24 at 08:32

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd Page 1 of 2

Properties

PIN 61347 - 0434 LT

Description PT NLY PT LT 10 CON 5 BUCKE AS IN NND1035 EXCEPT PT 1 54R2391, PT 7, 9 & 10 54R2533 SURFACE RIGHTS ONLY , PT 1 54R2573 SURFACE RIGHTS ONLY; T/W PT 1 54R3285 AS IN LT261674; TEMISKAMING SHORES , DISTRICT OF TIMISKAMING; TOGETHER WITH AN EASEMENT OVER PT 1 54R5557 AS IN DT31882

Address HAILEYBURY

Source Instruments

Registration No.	*Date*	*Type of Instrument*
DT42169	2013 09 13	Charge/Mortgage

Transferor(s)

This transfer of charge affects all lands that the charge is against which are outstanding.

Name CANADA CAPITAL CORPORATION INC.

Address for Service 665 MILLWAY AVE, Suite # 57
CONCORD, L4K 3V1

I, Alizadeh, Laila, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party

Transferee(s) *Capacity* *Share*

Name MONEY GATE MORTGAGE INVESTMENT CORPORATION

Address for Service 25 MALLARD ROAD
TORONTO, ONTARIO
M3B 1S4

Statements

The chargee transfers the selected charge for $429,081 28

Signed By

Rashesh Mandani — 34 Stone Church Road West, Suite 201, Ancaster, L9K 1S5 — acting for Transferor(s) — Signed 2016 08 23

Tel 647-262-3632

Fax 289-780-8655

I have the authority to sign and register the document on behalf of the Transferor(s).

Behrouz Amouzgar — 685 Sheppard Ave East, Suite 507, Toronto, M2K 1B6 — acting for Transferee(s) — Signed 2016 08 23

Tel 416-539-7263

Fax 416-539-0329

I have the authority to sign and register the document on behalf of the Transferee(s).

Submitted By

LEXPAND LEGAL PROFESSIONAL CORPORATION — 685 Sheppard Ave East, Suite 507, Toronto, M2K 1B6 — 2016 08 24

Tel 416-539-7263

Fax 416-539-0329

Fees/Taxes/Payment

Statutory Registration Fee $62.85

LRO # 54 **Transfer Of Charge** **Registered as DT56077** on 2016 08 24 at 08:32

The applicant(s) hereby applies to the Land Registrar. yyyy mm dd Page 2 of 2

Fees/Taxes/Payment

Total Paid	$62.85

File Number

Transferee Client File Number :	00670

This is Exhibit "N" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

Court File No.: CV-18-589395-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

KEVIN ESTRABILLO and BART DZIARSKI

Plaintiffs

and

MORTEZA KATEBIAN a.k.a BEN KATEBIAN, PAYAM KATEBIAN, MONEY GATE MORTGAGE INVESTMENT CORPORATION, AND MONEY GATE CORP

Defendants

AFFIDAVIT OF BART DZIARSKI
(sworn August 1 , 2018)

I, BART DZIARSKI, OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO MAKE OATH AND SAY:

1. I am a Plaintiff in this action and the moving party on this motion for a derivative action.

2. I am licensed as a CPA, CA, and hold a Chartered Business Valuator and a Chartered Financial Analyst designation.

Proper Complainant

3. I own 101,448.92 Class A Preferred Shares of MGMIC. Attached as **Exhibit A** is a recent account statement I received from MGMIC.

4. On or about June 5th, 2015, I subscribed for and received preferred shares in MGMIC. A

copy of my Subscription Agreement, are attached as **Exhibit B**.

5. I also received an Offering Memorandum ("OM") attached as **Exhibit C**.

6. I have reviewed the allegations in the Statement of Claim, and the affidavit of Kevin Estrabillo.

7. I agree that the Director Defendants should be replaced and/or removed.

8. I am aware that my counsel has received emails in support of the derivative action, and that his law clerk has filed an affidavit putting those before the court.

Good Faith

9. This action is being brought in good faith to recover damages from the Defendants on behalf of the corporation.

10. Aside from the issues noted in Kevin Estrabillo's first affidavit sworn in support of the Mareva Injunction, there is additional proof that Payam and/or Ben Katebian have acted improperly and against the interest of MGMIC and its shareholders.

Additional Evidence Supporting the Granting of A Derivative Action and Mareva Injunction

11. Attached as **Exhibit D** is an email that my counsel received from Mr. Mohammed, a defendant by counterclaim. Mr. Mohamed advised me, and it is apparent from the body of the email, that the email was received from Troy Wilson, another defendant by counterclaim.

12. The email details and attaches documents that reveal a complex series of back-to back transactions under which funds are lent by MGMIC ostensibly to New Mansteel Liskeard Inc., a corporation controlled by Ben's father in law, Mr. Sahebevdani, but under the back to back transactions detailed below, funds are ultimately received back into 2399029 Ontario Inc., a

corporation that is apparently owned by Ben Katebian as he is the only director. (the Lakeshore Mortgage Scheme or Scheme). Attached as **Exhibit E** is second email in the chain where Ben Katebian asks when he will get the funds into "my account" talking about 2399029 Ontario Inc.

13. As step 1) in the Scheme, Sahebevdani directs that the mortgage funds be paid by MGMIC to his lawyer's trust account. Attached as **Exhibit F** is the certificate of Advance demonstrating that the funds are to be paid to Lexpand Law.

14. As step 2) in the Scheme, Sahebevdani directs the lawyers that are now holding the MGMIC funds to pay the funds to another (a second) lawyer's trust account. Attached as **Exhibit G** is the second (unsigned) direction from Sahebevdani to pay the MGMIC funds to his lawyer's trust account.

15. As step 3) in the Scheme, Sahebevdani directs the lawyers that are now holding the MGMIC funds to pay the funds to 2399029 Ontario Inc. ("239"). Attached as **Exhibit H** is the third (unsigned) direction from Sahebevdani to pay the MGMIC funds from his lawyers' trust account to 2399029 Ontario Inc.

16. 239 is apparently wholly owned by Ben Katebian. Attached as **Exhibit I** is a corporate profile report in respect of 239.

558 Dovercourt

17. I am advised by Jonthane Ricci, a defendant by counterclaim, that his corporation 2496050 Ontario Inc. ("249"), is a 50% shareholder together with Payam Katebian in 2546456 Ontario Inc. ("254"), a corporation that owns a property located at 558 Dovercourt in Toronto. Attached as **Exhibit J** is the share purchase agreement whereunder 249 purchased 50% of the shares of 254.

18. On or about 3/30/2017, MGMIC provided a funding to 254 to finance the purchase of the

558 Dovercourt property. As security for the advance MGMIC took a mortgage on 558 Dovercourt. Attached as **Exhibit K** is the parcel registry indicating the MGMIC has a charge registered against **558 Dovercourt.** At the time of the advance Payam Katebian was the sole shareholder of 254. This is another incident of self-dealing that was not detailed in the earlier affidavits.

19. Mr Ricci has informed me, and I believe, that while Payam Katebian was the soleshareholder of 2546456 Ontario Inc. ("254"), Payam purposefully installed a seemingly unrelated party, Mr Rouzbeh Behrouz as director in order to conceal his involvement with 245 from being apparent from publicly available information.

20. However, internet research on Rouzbeh Behrouz reveals that Rouzbeh Behrouz is in fact a mortgage agent with MGMIC. Attached as **Exhibit L** is a printout from MGMIC website on 7/12/2018 demonstrating the same.

21. In furtherance of that effort, Payam or someone else at 254 has taken efforts to conceal:

a. That Payam was formerly a director of 254;

b. The actual date that Rouzbeh Behrouz was appointed, namely April 5, 2017.

22. Attached as **Exhibit M** is the corporate profile report for 254 dated July 12, 2018. As is apparent from that Exhibit, Payam Katebian does not appear as a former director of 254, and the date that Rouzbeh Behrouz was appointed is listed as 3/30/2017.

23. However, Attached as **Exhibit N,** is a point in time corporate profile report dated June 21, 2018, showing:

a. That Rouzbeh Behrouz was appointed on **4/5/2017** and **not** on 3/30/2017;

b. And that **Payam Katbian** was the director on 3/30/2017.

24. The efforts undertaken by 254 in June 2018, to conceal Payam's involvement and ownership interest in that company indicate that Payam Katebian was aware of the wrongfulness of that action.

25. I make this motion in support of an order allowing myself and Kevin Estrabillo to bring an action on behalf of MGMIC against Ben and Payam Katebian and for no other purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario This ____ day of ~~July~~ Aug 7, 2018	))))))	
Commissioner for taking Affidavits		Bart Dziarski

Court File No. CV-18-589395-00CL

ESTRABILLO et al. -and- **KATEBIAN et al.**

Plaintiffs Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF BART DZIARSKI

DJD LAW PROFESSIONAL CORPORATION
1186 Eglinton Avenue West
Toronto, Ontario M6C 2E3

Eliezer Karp (LSUC #54317P)
Tel: (647) 260-4863
Fax: (416) 352-7638
ek@djdlaw.ca

Lawyers for the Plaintiffs

THIS IS EXHIBIT D TO THE
AFFIDAVIT OF BART DZIARSKI
SWORN AUGUST 1, 2018

COMMISSIONER FOR TAKING AFFIDAVITS

From: Troy Wilson [mailto:t.wilson@skymarkproperty.com]
Sent: Thursday, January 04, 2018 11:44 AM
To: saiplus12@gmail.com; ara missaghi; Jonathane Ricci
Subject: Re: Final Draw for Mansteel

Hello Everyone,

Please find attached an below the information pertaining to the 400k (ish) draw that we discussed yesterday. Once I understood which draw this was it became very clear to me how easy it would be to provide evidence showing the flow of funds to Ben's account off this closing. The closing was in January of 2017 and as per the attached V2 direction letter the funds were directed to Ben's account on closing. You can pull a corporate profile search on the company if you wish but I can confirm this is his as I recognize it for sure.

This draw was against the Mansteel property and as such Ben's father in law was the authorized signature meaning he controlled the entire process.

Gentlemen I feel that yesterdays meeting was the most productive to date and we are now, finally, on the right path. I am happy to be able to provide verification confirming where these monies actually went a year ago thus placing the spotlight on Ben where it belongs.

Thank you all again for your time yesterday.

Troy Wilson
Vice President
Skymark Properties Corporation
855-772-2300

From: ara missaghi [mailto:ara.missaghi@gmail.com]
Sent: Thursday, January 4, 2018 11:18 AM
To: Troy Wilson <t.wilson@skymarkproperty.com>
Subject: Fwd: Re: [SPAM] Re: Final Draw for Mansteel

Here is the last draw. It was Mansteel Draw. $ 435,000. payable to Ben's 2399029 Ontario Inc. company. as per attachment #3

---------- Forwarded message ----------
From: **Ben Katebian** <b.katebian@moneygate.ca>
Date: Mon, Jan 23, 2017 at 1:56 PM
Subject: Fwd: Re: [SPAM] Re: Final Draw for Mansteel
To: Arash Missaughi <ara.missaghi@gmail.com>

Can you have Mr. Sahebdivani sign, Scan and send it to me.
---------- Forwarded message ----------
From: "Rashesh Mandani" <rm@mandanilaw.com>
Date: Jan 23, 2017 1:41 PM
Subject: Re: [SPAM] Re: Final Draw for Mansteel
To: "Ben Katebian" <b.katebian@moneygate.ca>
Cc: "Payam Katebian" <payam.ktb@moneygate.ca>, "Behrouz Amouzgar" <bamouzgar@lexpand.com>

Good afternoon,

Please find the documents attached. I'll call Mr. Sahebdivani in the next half hour.

-Rashesh

--
Rashesh Mandani | RM@MandaniLaw.com | www.MandaniLaw.com | 647.262.3632

On Mon, Jan 23, 2017 at 1:06 PM, Rashesh Mandani <rm@mandanilaw.com> wrote:
Thank you

--
Rashesh Mandani | RM@MandaniLaw.com | www.MandaniLaw.com | 647.262.3632

On Mon, Jan 23, 2017 at 12:51 PM, Ben Katebian <b.katebian@moneygate.ca> wrote:
Mr. Sabebdivani number is: 647-835-7228

On Mon, Jan 23, 2017 at 12:48 PM, Rashesh Mandani <rm@mandanilaw.com> wrote:
Good afternoon Ben,

I'll get the documents to you soon. Once, I send the documents, I would like to speak with Mr. Sahebdivani to see if he has any questions or concerns. What is the best number for me to reach him at?

-Rashesh

--
Rashesh Mandani | RM@MandaniLaw.com | www.MandaniLaw.com | 647.262.3632

On Mon, Jan 23, 2017 at 12:46 PM, Ben Katebian <b.katebian@moneygate.ca> wrote:
Hi Rashesh,
I am going to meet with Behrouz at 2:00pm,
Please send me the documents so I can have Mr. Sahebdivani to sign.

Thanks

On Fri, Jan 20, 2017 at 11:52 AM, Payam Katebian <payam.ktb@moneygate.ca> wrote:
Depositing funds to your account today. Would appreciate some form of acknowledgement to my email from 2 days ago.

On Wed, Jan 18, 2017 at 1:47 PM, Payam Katebian <payam.ktb@moneygate.ca> wrote:
Hi Behrouz and Rashesh, we are looking to to the advance the final draw for Mansteel tomorrow. The amount is $445K. There will be a lender fee holdback payable to Money Gate MIC in the amount of $8,900.

--
Thank you,

Payam Katebian
Money Gate Corp
Agent - M14000193
FSCO #12290 & #12451
Office: (416) 548-5959 ext. 104
Fax: (416) 913-0087
www.moneygate.ca

--
Thank you,

Payam Katebian
Money Gate Corp
Agent - M14000193
FSCO #12290 & #12451
Office: (416) 548-5959 ext. 104
Fax: (416) 913-0087
www.moneygate.ca

--

Ben Katebian

Principal Broker/ CEO / President
Mortgage Broker License M08007482

Money Gate Corp.

License #12290 and #12451

25 Mallard Road, Toronto, ON M3B 1S4

--

Ben Katebian

Principal Broker/ CEO / President
Mortgage Broker License M08007482

Money Gate Corp.

License #12290 and #12451

25 Mallard Road, Toronto, ON M3B 1S4

THIS IS EXHIBIT E TO THE
AFFIDAVIT OF BART DZIARSKI
SWORN AUGUST 1, 2018

COMMISSIONER FOR TAKING AFFIDAVITS

rom: Troy Wilson [mailto:t.wilson@skymarkproperty.com]
Sent: Thursday, January 04, 2018 11:45 AM
To: saiplus12@gmail.com; ara missaghi; Jonathane Ricci
Subject: FW: Mansteel Final draw

Not that more verification is required by below is an email from Ben to his lawyer asking when the funds can be expected into "my" account.

Troy Wilson
Vice President
Skymark Properties Corporation
855-772-2300

On Tue, Jan 24, 2017 at 12:50 PM, Ben Katebian <b.katebian@moneygate.ca> wrote:
Hi Rashesh,
When can I expect the money in my account?

Thanks

On Mon, Jan 23, 2017 at 4:39 PM, Payam Katebian <payam.ktb@moneygate.ca> wrote:
Here you go.

On Mon, Jan 23, 2017 at 2:49 PM, Rashesh Mandani <rm@mandanilaw.com> wrote:
Hi Payam,

Thank you for the documents. Can you please have a witness sign the two witness signatures on pages 2 and 6?

Please find the first page of the ILA signed by me attached. I spoke with Mr. Sahebdivani on the phone this afternoon, about the 7th draw on the phone and he had no questions,.concerns or comments.

Behrouz, please let me know when you have deposited the funds into my trust account and please provide me with the certified cheque copy and deposit slip. I will then send you the signed receipt.

Thank you,

--
Rashesh Mandani | RM@MandaniLaw.com | www.MandaniLaw.com | 647.262.3632

On Mon, Jan 23, 2017 at 2:31 PM, Payam Katebian <payam.ktb@moneygate.ca> wrote:

On Mon, Jan 23, 2017 at 1:41 PM, Rashesh Mandani <rm@mandanilaw.com> wrote:
Good afternoon,

Please find the documents attached. I'll call Mr. Sahebdivani in the next half hour.

-Rashesh

THIS IS EXHIBIT F TO THE
AFFIDAVIT OF BART DZIARSKI
SWORN AUGUST 1, 2018

COMMISSIONER FOR TAKING AFFIDAVITS

CERTIFICATE OF ADVANCE

TO: **Money Gate Mortgage Investment Corporation**

AND TO: **Lexpand Legal Professional Corporation**

RE: **Money Gate Mortgage Investment Corporation (the "Lender") loan facilities (the "Loan") to Mansteel New Liskeard Inc. (the "Borrower") Second Mortgage: 1107 Lakeshore Rd S, New Liskeard, Ontario P0J 1P0 (the "Property") pursuant to a letter of commitment dated June 21, 2016 (the "Commitment")**

THE UNDERSIGNED, being the Borrower, certifies that:

1. This Certificate of Advance is made in connection with an advance made under the Loan in the maximum principal amount of FOUR HUNDRED AND FOURTY FIVE THOUSAND DOLLARS ($445,000.00).

2. The following amounts were advanced on account of the Loan on the following dates:

AMOUNT OF GROSS ADVANCE	ADVANCE DATES
$700,000.00	July 13, 2016
$600,000.00	August 18, 2016
$750,000.00	August 25, 2016
$200,000.00	October 5, 2016
$650,000.00	December 9, 2016
$130,000.00	December 13, 2016
$445,000.00	January 23, 2017

and accordingly the sum of Three Million and Four Hundred and Seventy Five Thousand Dollars ($3,475,000.00) has been accounted for or received by or on behalf of the Borrower and there is no defence, set off or counterclaim with respect to such amount.

3. All buildings, structures and other improvements currently in existence on the Property (if any) whether above or below ground level are within the boundaries of the Property and are in compliance with the building and zoning regulations of all authorities having jurisdiction.

4. There have been no notices of non-compliance received from any governmental body which may have any authority over the Property or the development thereof.

5. The Borrower is not an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) and all regulations thereunder.

6. The warranties and representations contained in the Commitment and the transaction documents executed by the Borrower on July 13, 2016 with respect to the Loan are true and accurate as of the date of this Certificate of Advance.

7. I have carefully reviewed the appropriate records of the Borrower and have made such inquiries and investigations as are necessary so as to enable me to make all of the statements and declarations set out herein.

8. This Certificate of Advance is intended and shall serve as a full estoppel as against the Borrower with respect to the facts stated herein.

DATED as of the day of January, 2017.

Mansteel New Liskeard Inc.

Hosseinali Sahebdivani

Director

I/We have authority to bind the Corporation

SIGNED, SEALED AND DELIVERED)
in the presence of:)
)
)
)
Witness:) **Hosseinali Sahebdivani**

Guarantor

THIS IS EXHIBIT G TO THE
AFFIDAVIT OF BART DZIARSKI
SWORN AUGUST 1, 2018

COMMISSIONER FOR TAKING AFFIDAVITS

DIRECTION

TO: Lexpand Legal Professional Corporation

RE: Mortgage Loan to Mansteel New Liskeard Inc.
1107 Lakeshore Rd S, New Liskeard, Ontario P0J 1P0
Closing Date: January 23, 2017
7th Draw

This is to direct you and shall constitute your good and sufficient and irrevocable authority to make your cheque for the net proceeds of the financing in the above transaction payable in favour of

Mandani Law in Trust

DATED at Toronto, this day of January, 2017.

MANSTEEL NEW LISKEARD INC.

Hosseinali Sahebdivani
Director

I/We have authority to bind the Corporation

THIS IS EXHIBIT H TO THE
AFFIDAVIT OF BART DZIARSKI
SWORN AUGUST 1, 2018

COMMISSIONER FOR TAKING AFFIDAVITS

DIRECTION

TO: Mandani Law Professional Corporation

RE: Mortgage Loan to Mansteel New Liskeard Inc.
1107 Lakeshore Rd S, New Liskeard, Ontario P0J 1P0
Closing Date: January 23, 2017
7th Draw

This is to direct you and shall constitute your good and sufficient and irrevocable authority to make your cheque for the net proceeds of the financing in the above transaction payable in favour of **2399029 ONTARIO INC.** and to deposit the same into the following account:

2399029 ONTARIO INC.
TD Canada Trust
Transit: 10852
Account: 10855407632

DATED at Toronto, this   day of January, 2017.

MANSTEEL NEW LISKEARD INC.

____
Hosseinali Sahebdivani
Director

I/We have authority to bind the Corporation

THIS IS EXHIBIT I TO THE
AFFIDAVIT OF BART DZIARSKI
SWORN AUGUST 1, 2018

COMMISSIONER FOR TAKING AFFIDAVITS

Request ID: 021245407	Province of Ontario	Date Report Produced:	2018/02/05
Transaction ID: 67038005	Ministry of Government Services	Time Report Produced:	09:15:11
Category ID: UN/E		Page:	1

CORPORATION PROFILE REPORT

Ontario Corp Number
2399029

Corporation Name
2399029 ONTARIO INC.

Incorporation Date
2013/12/09

Jurisdiction
ONTARIO

Corporation Type
ONTARIO BUSINESS CORP.

Corporation Status
ACTIVE

Former Jurisdiction
NOT APPLICABLE

Registered Office Address
MORTEZA KATEBIAN
122 KIRK DRIVE

THORNHILL
ONTARIO
CANADA L3T 3L4

Mailing Address
MORTEZA KATEBIAN
122 KIRK DRIVE

THORNHILL
ONTARIO
CANADA L3T 3L4

Date Amalgamated	**Amalgamation Ind.**
NOT APPLICABLE	NOT APPLICABLE
New Amal. Number	**Notice Date**
NOT APPLICABLE	NOT APPLICABLE
	Letter Date
	NOT APPLICABLE
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

Number of Directors Minimum	**Number of Directors Maximum**	**Date Commenced in Ontario**	**Date Ceased in Ontario**
00001	00010	NOT APPLICABLE	NOT APPLICABLE

Activity Classification
NOT AVAILABLE

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2399029	2399029 ONTARIO INC.

Corporate Name History	Effective Date
2399029 ONTARIO INC.	2013/12/09

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
HOSSEINALI SAHEBDIVANI	122 KIRK DRIVE THORNHILL ONTARIO CANADA L3T 3L4

Date Began	First Director	
2016/11/15	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
DIRECTOR		Y

Request ID: 021245407	Province of Ontario	Date Report Produced:	2018/02/05
Transaction ID: 67038005	Ministry of Government Services	Time Report Produced:	09:15:11
Category ID: UN/E		Page:	3

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2399029	2399029 ONTARIO INC.

Administrator:

Name (Individual / Corporation)		Address
HOSSEINALI SAHEBDIVANI		122 KIRK DRIVE THORNHILL ONTARIO CANADA L3T 3L4
Date Began	**First Director**	
2016/11/15	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	PRESIDENT	Y

Administrator:

Name (Individual / Corporation)		Address
HOSSEINALI SAHEBDIVANI		122 KIRK DRIVE THORNHILL ONTARIO CANADA L3T 3L4
Date Began	**First Director**	
2016/11/15	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
OFFICER	SECRETARY	Y

Request ID:	021245407	Province of Ontario	Date Report Produced:	2018/02/05
Transaction ID:	67038005	Ministry of Government Services	Time Report Produced:	09:15:11
Category ID:	UN/E		Page:	4

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2399029	2399029 ONTARIO INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2017/01/12 (ELECTRONIC FILING)

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.

This is Exhibit "O" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

Court File No. CV-18-589395-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

KEVIN ESTRABILLO and BART DZIARSKI

Plaintiffs

and

MORTEZA KATEBIAN a.k.a. BEN KATEBIAN, PAYAM KATEBIAN, MONEY GATE MORTGAGE INVESTMENT CORPORATION and MONEY GATE CORP.

Defendants

B E T W E E N:

MORTEZA KATEBIAN a.k.a. BEN KATEBIAN, PAYAM KATEBIAN, MONEY GATE MORTGAGE INVESTMENT CORPORATION and MONEY GATE CORP.

Plaintiffs by Counterclaim

and

KEVIN ESTRABILLO, BART DZIARSKI, ARASH MISSAGHI, JONATHANE RICCI, GLENN ESTRABILLO and SAI MOHAMMED

Defendants by Counterclaim

AFFIDAVIT OF PAYAM KATEBIAN

I, Payam Katebian, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Defendant to this action as well as an officer and director of the Defendants Money Gate Mortgage Investment Corporation ("**MGMIC**") and Money Gate Corp. ("**Money Gate**") and as such have knowledge of the matters to which I depose in this affidavit. If I

do not have personal knowledge of any of the contents of this affidavit, I state the source of my information and my belief in the accuracy of the information.

2. My evidence in this affidavit is provided for two reasons:

   a) To provide evidence in defence of the various types of relief sought by the Plaintiffs in paragraph 1 of the Statement of Claim; and

   b) To provide evidence to the Court in support of the Defendants' motion to set aside the Order of the Honourable Justice Hainey dated January 5, 2018.

3. I am aware that in considering this matter, the Court will be focused on making an Order that is in the interests of the shareholders of MGMIC including the Plaintiffs.

4. In this affidavit, I will set out in detail why, in my view, the interests of the shareholders are optimally secured by setting aside the Order of Hainey, J. and allowing MGMIC to proceed with its business plan to wind-up MGMIC by discharging some mortgages in its portfolio and assigning the other mortgages to interested preferred shareholders of the company.

Background of the Defendants

5. Morteza Katebian ("**Ben**") is my father. He has been a licensed mortgage broker since 2004. I have been a licensed mortgage agent since 2012. Money Gate, incorporated in 2007, is a licensed mortgage brokerage and administrator. Ben is Money Gate's principal broker.

6. Over the years Ben and I came to appreciate there was a structural flaw in our business. Our experience was that we would be approached by a borrower for mortgage financing but by the time we were able to identify a source of capital for the borrower, the business opportunity may have disappeared.

7. Ben and I decided it made sense to raise our own capital so that capital was available immediately when lending opportunities arose. This led to the incorporation of MGMIC in 2014 and the raising of capital by that company.

8. As is set out in the Statement of Claim and the affidavits of Kevin Estrabillo ("**Kevin**") and the first affidavit of Bart Dziarski ("**Dziarski**"), MGMIC sold preferred shares in the company. The current preferred share capital is approximately $10.2 million ($11 million if one includes increases in preferred share capital due to MGMIC's dividend reinvestment program).

9. There are approximately 140 preferred share investors. Kevin and Dziarski are among the 140 investors.

The Offering Memoranda

10. When Ben and I decided to raise capital, we sought legal advice to assist us. We retained the services of Jeff Levy of Levy Zavet who we understood to be experienced in these matters. Mr. Levy advised us with respect to the first two MGMIC Offering Memoranda ("**OM's**") dated August 1, 2014 and May 5, 2015.

11. The second OM is the one attached to both Kevin's and Dziarski's affidavit. The allegations in the Plaintiff affidavits are based on this second OM.

12. After the second OM, MGMIC became dissatisfied with certain aspects of the services provided by Mr. Levy. MGMIC changed counsel to Elliot Vardin of Fogler Rubinoff LLP. The 2016 and 2017 OM's were drafted by Mr. Vardin.

13. As is set out in Kevin's affidavit, there are differences in the OM's prepared by the different lawyers including clarifications on the restrictions on investment by MGMIC in the later OM's. This will be discussed further below in this affidavit.

14. In his affidavit at paragraph 6, Kevin states he subscribed for 105,244 preferred shares of MGMIC on or about January 25, 2016. This is not correct. According to MGMIC's records, Kevin subscribed for a total of 133,680 shares as follows:

Shares	Date
42,983	March 18, 2015
50,000	February 11, 2016
25,000	March 15, 2017
117,983	Total

15. The balance of Kevin's shares – 15,697 – adding up to a total of 133,680 shares - would have been acquired through MGMIC's dividend reinvestment program.

16. In his affidavit at paragraph 4, Dziarski states he subscribed for 101,449 preferred shares on or about June 5, 2015. This is not correct. According to MGMIC's records, Dziarski subscribed for a total of 101,449 shares as follows:

Shares	Date
55,000	September 23, 2015
37,000	January 26, 2017
92,000	Total

17. The balance of Dziarski's shares – 9,449 – adding up to a total of 101,449 shares would have been acquired through MGMIC's dividend reinvestment program.

18. Evidence of these purchases and the dates on which they occurred is attached as Exhibits "**1**", "**2**", "**3**", "**4**" and "**5**".

19. I do not believe Kevin and Dziarski inadvertently misstated the dates on which they subscribed for their shares. I believe they wished to mislead the Court into believing they subscribed for <u>all</u> their shares in reliance upon the May 2015 OM and the information it disclosed.

20. In fact, Kevin's subscription for 25,000 shares of MGMIC on March 15, 2017 and Dziarski's subscription for 37,000 shares of MGMIC on January 26, 2017 would have been after the release of the OM dated May 13, 2016, after the release of the OM dated May 30, 2016 and, in the case of Kevin, after the release of the last MGMIC OM on January 31, 2017.

21. Kevin and Dziarski would have received copies of these later OM's and, as a result, would have received disclosure that the investment parameters of MGMIC had been altered from the May 5, 2015 OM. Yet Kevin and Dziarski misled the Court into believing they only had access to the May 5, 2015 in deciding to subscribe for MGMIC shares.

22. While Kevin did disclose in his affidavit that later OM's allowed for greater investment flexibility, his evidence suggests he did not have access to these later OM's in making his investment decision for his last tranche of shares. He did have this information and, presumably, the information did not trouble him or he would not have purchased these shares.

23. Although perhaps simply an error, the May 5, 2015 OM that Kevin swears he received from MGMIC and attached to his affidavit as Exhibit "C" is not, in fact, the OM he received. Dziarski's OM is attached to Kevin's affidavit at Exhibit "C".

24. Dziarski's affidavit was very brief but also implies he relied upon the May 5, 2015 OM.

25. Kevin's affidavit also ignores the annual meetings of shareholders of MGMIC in which all topics of concern related to the company were reviewed with shareholders. There would have been several meetings held after he and Dziarski first subscribed for their shares. Attached as Exhibit "**6**" is an example of a Notice to Shareholders for a meeting to be held on February 19, 2016.

26. During the meetings, if they attended, the entire business of MGMIC would have been reviewed and both Kevin and Dziarski could have asked MGMIC officers and directors any questions they wished, including questions arising from their review of any of the MGMIC OM's.

The Ontario Securities Commission ("OSC")

27. It is correct that the OSC served a Notice of Application dated April 7, 2017 for a temporary Order to halt trading of the preferred securities of MGMIC. It is also correct that a temporary Order was issued on April 27, 2017.

28. What is not disclosed in the material before the Court on the ex-parte motion of the Plaintiffs is that the Defendants consented to this temporary Order in order to be able to deal with the allegations of the OSC in an orderly, prudent manner.

29. MGMIC, Money Gate, Ben and I dispute the allegations made by the OSC. They have not been proven and are being challenged. Kevin Richard ("**Richard**") of Groia & Company has been retained to defend the Respondents in these proceedings. My reference to Richard and his representation of MGMIC is not a waiver of privilege regarding any communications involving Richard.

30. On December 6, 2017, Richard wrote to counsel at the OSC to respond to these allegations. His letter is attached as Exhibit "**7**". Richard' letter dealt with these points:

    a) MGMIC, Money Gate, Ben and I adamantly deny that MGMIC is controlled by Arash Missaghi ("**Missaghi**") or Sai Mohammed ("**Mohammed**") as is alleged by the OSC. Indeed, as the facts to be disclosed below in this affidavit indicate, it is Kevin, through his brother Glenn Estrabillo ("**Glenn**"), who is associated closely with both Missaghi and Mohammed. By way of background and as set out in the

Plaintiffs' Application Record, Missaghi has been charged criminally for mortgage fraud on several occasions, most recently in March of 2018.

b) We deny that mortgages were granted in contravention of the investment terms of the OM's.

c) We deny mortgages were granted to non-arms' length parties on non-commercial terms.

31. The mere fact the OSC has made allegations against the Defendants is not evidence of anything (other than the fact the OSC has made allegations against the Defendants). In this affidavit I will only deal with the specific allegations made by the OSC that Kevin relies upon against MGMIC in his evidence.

Missaghi and Mohammed

32. At or around the same time MGMIC was incorporated, Ben and I were approached by Missaghi with respect to a building he owned at 25 Mallard Road in Toronto. The building had significant vacant office space for rent. Ben had been a business partner of Missaghi's father in the food distribution business years before so he knew Missaghi, although not well.

33. We looked at the space which was suitable for our needs and since the rent was good, we moved our offices to 25 Mallard Road. After the move we became acquainted with other tenants of the premises, some of whom were business associates of Missaghi.

34. We met Troy Wilson ("**Wilson**") who we understood to be a close business associate of Missaghi's in many of his businesses and companies. Wilson has been charged criminally with many of the same offences as Missaghi.

35. We met Jonathane Ricci ("**Ricci**") who, at the time, was a lawyer who did much or most of Missaghi's legal work. Ricci was suspended by the Law Society of Upper Canada in February of 2016 for failing to produce documents requested by the Law Society during the course of an investigation between May 2014 through to November 2015.

36. I understand that Ricci sued the Law Society with respect to his suspension. This action was dismissed in a motion for summary judgment brought by the Law Society. Attached as Exhibit "**8**" is the decision of the Law Society suspending Ricci as well as the reported decisions with respect to Ricci's unsuccessful action against the Law Society.

37. Also tenants at 25 Mallard Road were Glenn, Mohammed, James DeStephanis ("**DeStephanis**") and Dominic Kawa ("**Kawa**"). Ben had known Glenn before but we met Mohammed and DeStephanis when we moved in. Our understanding is that the four men were business associates of Missaghi and Wilson.

38. Kevin "piggy-backs" onto the OSC allegations that Missaghi and Mohammed control the operations of MGMIC without offering any evidence. He should know this is incorrect. In fact, it is Glenn who is a close business associate of Mohammed.

39. Glenn and Kawa are officers and directors of 1 Plus 12 Corporation ("**1 Plus 12**"), a real estate investment company that describes itself on its website as "a professional education and development company". The corporate profile report of 1 Plus 12 is attached as Exhibit "**9**".

40. The company's registered head office is at Ricci's office on Yonge Street in Toronto. Ricci is intimately involved with 1 Plus 12's affairs. DeStephanis and Mohammed have senior positions with 1 Plus 12.

41. Attached as Exhibit "**10**" are pages from the 1 Plus 12 website – www.1plus12.com – in the "Join" section. Glenn is featured prominently on the website.

42. The last page of the section has a picture of the four key people in the company. From left to right are Mohammed, DeStephanis, Kawa and Glenn.

43. Kevin and Dziarski are investors in 1 Plus 12. They know Mohammed very well.

44. Curah Capital Corporation ("**Curah**") is a sister company of 1 Plus 12. It purports to provide venture capital for companies developing artificial intelligence. Its website is at www.8billionactsofinnovation.com. Curah's corporate profile report, attached as Exhibit "**11**", lists as its directors Glenn, Mohammed and Kawa.

45. Ben and I either directly or through Money Gate and MGMIC are suing Missaghi, Wilson, Mohammed and the other 1 Plus 12 principals in several different actions as follows:

    a) Action CV-17-583592 in which MGMIC is suing Ricci and a company controlled by him, Atlas Capital Corporation (2013) ("**Atlas**") for amounts owing under a mortgage taken by MGMIC on 2045 Lakeshore Blvd. W., Suite 3103, Toronto.

    b) Action CV-17-587244 in which Ben is suing Mohammed with respect to a loan for $150,000 given by Ben but never repaid.

    c) Action CV-17-62994, a Hamilton action in which MGMIC sued Jaesr Incorporated ("**Jaesr**") and Glenn with respect to a mortgage on 229 Mohawk Road East in Hamilton. A judgment was obtained on February 13, 2018 against the Defendants for possession of the Property and amounts due of $292,729.84. It is attached as Exhibit "**12**". Jaesr is a company controlled by the Estrabillo family including Kevin. Although these events were undergoing when Kevin swore his affidavit on

January 2, 2018 in support of the Plaintiffs' ex-parte motion, they were never disclosed to the Court.

d) Application CV-18-596922-00CL in which MGMIC is suing various Missaghi and Wilson controlled companies to enforce a second mortgage taken by MGMIC on property at 4342 Steeles Avenue West in Vaughan, Ontario.

e) Application CV-18-601199-00CL in which MGMIC sued to enforce a mortgage taken by MGMIC at 558 Dovercourt Road, Toronto. The Court appointed a receiver over the property on July 30, 2018.

f) Application CV-18-603269-00CL in which MGMIC is suing Wilson and a number of companies controlled by Missaghi and Wilson with respect to mortgages taken on 1107 Lakeshore Road South, New Liskeard and 5355 Highway 101 West, Timmins.

46. Copies of the Statements of Claim or Notices of Application in the above proceedings (without schedules) are attached as Exhibits "**13**", "**14**", "**15**", "**16**", "**17**" and "**18**".

47. The Court may infer from the number of actions between MGMIC and Ben against Missaghi, Wilson, Mohammed and the other 1 Plus 12 principals that Missaghi's and Mohammed's level of control over MGMIC, as alleged by the OSC, is non-existent.

48. Dziarski has sworn a new affidavit on August 1st, 2018 in support of the Plaintiffs' position. Its content provides further evidence that MGMIC is not controlled by Missaghi and Mohammed. Exhibits "D" and "E" of the affidavit are emails from Wilson to Mohammed, Missaghi and Ricci that are relevant to this issue.

49. The emails deal with these individuals' desire to prove improper dealings by Ben. Once again, this is evidence that Missaghi's and Mohammed's alleged "control" over MGMIC is non-existent.

Mortgage Investments Introduced by Missaghi, Mohammed and Glenn

50. Our close proximity with Missaghi, Wilson, Ricci, Mohammed, Glenn, DeStephanis and Kawa at 25 Mallard Road led to the development of business with these individuals.
51. Mohammed, Glenn, DeStephanis and Kawa introduced many people who purchased MGMIC's preferred shares. I estimate that approximately 75% of the 140 preferred shareholders comprising about 75% of the capital raised were introduced to MGMIC by one of Mohammed, Glenn, DeStephanis or Kawa.
52. These preferred shareholders were also investors in 1 Plus 12. Ben knew these investors as they all had attended personal development courses offered by Landmark Forum.
53. In addition to investors, Missaghi, Wilson, Ricci, Mohammed, Glenn, DeStephanis and Kawa introduced mortgage opportunities to MGMIC. As will be discussed below, MGMIC exercised independent and appropriate analysis in determining whether to invest in those mortgages. At no time did anyone other than Ben and me decide to proceed with the investments.

Kevin's Allegations

54. In this next section of my affidavit, I will deal with the specific allegations against MGMIC made by Kevin in his affidavit. Those are set out between paragraphs 26 to 44 of Kevin's affidavit.

<u>Conflict of Interest and Non-Arms' Length Transactions – Paragraphs 26, 35-37 and 43-44 and Affidavit of Dziarski sworn August 1, 2018, Paragraphs 11-24</u>

55. In his affidavit, Kevin lists seven properties/mortgages that he states raise "conflict of interest concerns". He and Dziarski also cite three other properties/mortgages that they criticize for being taken from related parties. I will deal with each of the ten mortgages in turn.

56. Kevin acknowledges in his affidavit at paragraph 21 that there is no prohibition in the OM's against mortgages from non-arms' length parties. This is confirmed in the Investment Policies, Practices and Restrictions section of the OM (page 10) that sets out that MGMIC:

> does not loan money or invest in securities of [Money Gate], or [Money Gate's] affiliates or other non-arm's length parties, <u>other than investments in mortgages provided by [Money Gate] under the Management Services Agreement</u>. Emphasis added.

57. This must be read in conjunction with the obligations of MGMIC's Investment Committee in the OM (page 15). It tasks the Investment Committee with responsibility for "adjudicating and advising on transactions involving potential conflicts of interest".

58. Kevin acknowledges at paragraphs 21 and 22 of his affidavit that the Investment Committee was made up of Ben and me as of the disclosure in the OM of May 30, 2016. The change actually occurred in April of 2016.

59. Kevin states in paragraph 24 of his affidavit that he bought his shares before I joined the Investment Committee but, as set out earlier in this affidavit (paragraph 20), this statement is not correct. Kevin bought MGMIC shares after it was disclosed to shareholders that Ben and I formed the Investment Committee.

60. MGMIC is a small company. All of its employees were in constant dialogue throughout the day on every day. All mortgages taken after I joined the Investment Committee –

whether arms' length or not – were reviewed extensively by Ben and me. I also witnessed the same procedure being followed before I joined the Investment Committee.

61. MGMIC concedes it did not minute these daily discussions. Had it done so, these allegations could have easily been refuted.

62. It is also important to note that the audited financial statements issued by MGMIC discussed related party transactions in a note to the statement. Attached as Exhibit "**19**" is the statement for the year ended May 31, 2016. Note 10 discusses related party transactions.

63. The risks involved with possible conflicts of interest were expressly pointed out to potential shareholders in the OM at page 25. Investors were alerted to the risk that "[t]here is no assurance that any conflicts of interest that may arise will be resolved in a manner most favourable to investors".

64. Notwithstanding this caution, all non-arms' length mortgages taken by MGMIC were sound and based on commercially reasonable terms as follows:

65. *133 Boake Trail, Richmond Hill*. The appraised value of the property was $2,150,000. There was a first mortgage on the property for $1,259,566. While there was a second mortgage on the property of $525,000 (Exhibit HH of Kevin's affidavit), it was secured both by the Boake Trail property and a property on King High Drive. When the mortgages on both properties are compared to the appraised value of both properties, the Loan to Value Ratio ("**LTV**") of the mortgages on Boake Trail were reasonable. This is discussed further later in this affidavit at paragraphs 122-126.

66. The interest rate on the mortgage was 14%, a commercially reasonable rate. The mortgage was discharged on August 17, 2016 with payment in full of all amounts owing. Attached as Exhibit "**20**" is a copy of the mortgage discharge document.

67. _28 Dale Park Court, Vaughan_. The appraised value of this property was $1,825,000 as of June 17, 2016. There was a first mortgage with a principal of approximately $1,150,000. The MGMIC mortgage was a second mortgage with a value of $400,000. It was only in place for a little over two months, from February 14 to May 24, 2017. Total LTV ratio was 85%. The interest rate was 13% per year, a commercially reasonable rate. Although Kevin states the mortgage is currently outstanding (subparagraph 26(b)), this is incorrect. It was repaid in full on May 24, 2017. Attached as Exhibits "**21**", "**22**", "**23**" and "**24**" are copies of the appraisal, proof of the first mortgage principal, first page of the MGMIC letter of commitment and discharge statement for the mortgage.

68. _26 Heron Hollow, Richmond Hill_. The appraised value of this property was $950,000 as of November 14, 2014. There was a first mortgage with a principal of approximately $712,500. The second mortgage in the amount of $142,500 was co-funded by MGMIC and a numbered company, 2374715 Ontario Limited. The interest rate was 12%, a commercially reasonable rate. The mortgage was repaid in full on July 18, 2016. Attached as Exhibits "**25**", "**26**", "**27**" and "**28**" are copies of the appraisal, evidence of the amount of the first mortgage, first page of the MGMIC letter of commitment and discharge statement for the mortgage.

69. _4342 Steeles Avenue West, Vaughan_. The owner of this property is Enigma Land Ltd. ("**Enigma**"). I deny that I was ever a director and officer of Enigma and deny this was ever a non-arms' length mortgage (although, in any event, the mortgage was a proper one).

70. It appears that someone advised the Ministry of Government Services that I was an officer and director of Enigma without my knowledge or consent. I attach the following as Exhibits "**29**", "**30**", "**31**" and "**32**":

    a) Corporation Point in Time Report as of April 6, 2014. It shows the sole director of the company as Alla Pavloskaia.

    b) Corporation Point in Time Report as of November 27, 2015. It lists me as a director of Enigma since December 4, 2013. This is obviously incorrect as the Corporation Point in Time Report as of April 6, 2014, four months after I supposedly became a director, lists Ms. Pavloskaia and not me as a director.

    c) Corporation Point in Time Report as of May 22, 2017. I am still listed as a director since December 4, 2013.

    d) Corporation Profile Report as of March 8, 2018. It lists Wilson as the sole director and officer of Enigma since January 4, 2014, *i.e.* only one month after I supposedly became the director. There is no mention of my tenure as a director that supposedly ran from December 4, 2013 until at least May 22, 2017.

71. Further evidence that I am not an officer or director of Enigma and that the mortgage was an arms' length one is the fact that MGMIC has commenced an application in the Commercial Court seeking the appointment of a receiver over this property due to the default by the borrower. The Notice of Application was previously attached as Exhibit "**15**". My supporting affidavit sworn May 3, 2018 (without exhibits) is attached as Exhibit "**33**"

72. I will not repeat all the evidence I provided in my May 3rd, 2018 affidavit in the property enforcement action.

73. The key information for the Court are the factors that led MGMIC to take an assignment of part of the second mortgage on this property. The property had an appraised value as of March 1, 2015 of $3,175,000. There was a first mortgage on title in the amount of $1,250,000 but with a principal value of $1,050,000 at the relevant time.

74. Ben and I were told by Ricci, MGMIC's lawyer at the time, that the value of the second mortgage was about $1,240,000. Adding the first and second mortgages together resulted in an LTV ratio of about 72% which was very reasonable.

75. Based on this, MGMIC took an assignment of 25.8% of the second mortgage and advanced $320,000. This mortgage went into default and as can be seen, MGMIC is taking steps to enforce its security.

76. Attached as Exhibits "**34**", "**35**" and "**36**" are copies of part of the property appraisal, the first mortgage statement and the first page of the MGMIC mortgage commitment to take an assignment of a portion of the second mortgage.

77. *293 Euclid Avenue*. The appraised value of this property was $1,650,000 as of September 19, 2016. There was a first mortgage with principal of approximately $1,120,000. The MGMIC mortgage was a second mortgage with a value of $282,500. Total LTV ratio was, therefore, 85%. The interest rate was 12% per year, a commercially reasonable rate. Attached as Exhibits "**37**", "**38**" and "**39**" are copies of the appraisal (relevant portions), the first mortgage statement and the first page of the MGMIC second mortgage letter of commitment.

78. The only thing preventing this mortgage from being repaid is the Order of Justice Hainey. If the Order is vacated, the mortgage will be repaid in full.

79. _5355 Highway 101 West, Timmins_. According to Kevin's affidavit, this is a mortgage given to a company controlled by Missaghi. As set out in paragraphs 33-49 above, Missaghi does not control MGMIC and, therefore, this mortgage was an arms' length mortgage.

80. _The "Sheppard" property_. Although no detail is given in Kevin's affidavit, this presumably relates to 5780 Sheppard Avenue East, Units 56 and 66, Toronto. According to Kevin's affidavit, this is a mortgage given to a company controlled by Mohammed. As set out in paragraphs 33-50 above, Mohammed does not control MGMIC and, therefore, this mortgage was an arms' length mortgage.

81. _1107 Lakeshore Road South, Temiskaming Shores (New Liskeard)_. Kevin's affidavit and Dziarski's August 1st affidavit allege the two mortgages taken by MGMIC on this property were mortgages from related parties. See Kevin's affidavit at paragraphs 34-37 and Dziarski's August 1st, 2018 affidavit at paragraphs 11-16.

82. The allegations are two-fold:

    a) The mortgages were in excess of the $2 million limit on MGMIC mortgages.

    b) Advances under the mortgage were made to a company whose director was Ben's father-in-law, Hosseinali Sahebdivani ("**Sahebdivani**"), and ended up in the bank account of a company allegedly owned by Ben and Sahebdivani.

83. The chronology is important. At around this time, MGMIC was in the process of altering the $2 million "limit" to take advantage of mortgage opportunities that exceeded this amount.

84. The mortgages in question were presented to MGMIC by Ricci, Glenn and Mohammed on behalf of their 1 Plus 12 investors. Kevin and Dziarski are 1 Plus 12 investors and, of course, Kevin is Glenn's brother. This relationship cannot be ignored.

85. As a result of the discussions about the $2 million limit, it was removed as is disclosed in the January 31, 2017 OM. Kevin subscribed for his last shares in MGMIC after this OM was issued. Therefore, the revision was set out in the OM was disclosed to him yet he still proceeded to purchase 25,000 shares of MGMIC. Kevin never raised any objection to this change until his affidavit was sworn.

86. The two mortgages were based on an appraisal that validated the value of the underlying lands at $4,630,000. It is attached as Exhibit "**40**". The LTV ratio on the two mortgages to the appraised value was less than 85%.

87. Due to the size of the mortgages and the fact that the 1 Plus 12 group had already borrowed a lot of money from MGMIC, Ben and I decided to mitigate the risk of the mortgage somewhat by stipulating that Sahebdivani be made the sole officer and director of the mortgagor ("**Mansteel**") to ensure that the flow of funds into and out of the company was proper.

88. Sahebdivani became a director of Mansteel on June 22, 2016, just days before the first mortgage was taken by MGMIC and the first advance provided to Mansteel (on July 13, 2016 – see Exhibit "F" to Dziarski's August 1st affidavit). Attached as Exhibit "**41**" is a Point in Time report for the company dated June 24, 2016 that lists that Sahebdivani became a director on June 22, 2016.

89. The beneficial ownership of Mansteel has always been with Missaghi. As pointed out by Kevin in his affidavit (paragraph 36), Grant Erlick was a director and officer of Mansteel with Sahebdivani. Erlick is an associate of Missaghi and was charged with him for fraud in relation to this property.

90. Proof that Mansteel is Missaghi's company, not Ben's or Sahebdivani's, may be seen in the the Point in Time report for Mansteel as of August 24, 2017, attached as Exhibit "**42**". Missaghi was a director of the company in addition to Sahebdivani.

91. Attached as Exhibit "**43**" is a Point in Time report for Mansteel as of September 13, 2017 that no longer lists Sahebdivani as an officer and director and now lists Laila Alizadeh, Missaghi's wife, as a director and Missaghi as a director, president, treasurer and secretary of the company. Also attached as Exhibit "**44**" is a current corporate profile report for Mansteel listing only Missaghi as an officer and director of the company.

92. One may infer from these reports where true ownership rested in Mansteel. Sahebdivani was a director of the company for a short period of time during the period the two mortgages were given and the funds advanced.

93. Dziarski alleges that a mortgage advance of $445,000 to Mansteel in or about January 2017 was directed to 2399029 Ontario Inc. ("**2399029**"), a company controlled by Ben, as further evidence that Ben benefited from the Mansteel mortgages. This is not correct.

94. Ben has never concealed this transfer of funds (as can be seen from the emails offered in evidence by Dziarski) nor has Ben ever denied that he controls this company. He and Sahebdivani are listed on the company's corporate profile report as directors.

95. Ben and I wished to have the $445,000 advance transferred to 2399029 for that company to effectively act as an administrator on behalf of Mansteel (and other companies to which 1 Plus 12 arranged for mortgage funds to be advanced) with respect to monthly interest payments. As with the appointment of Sahebdivani as a director of Mansteel, this was a way to manage the risk of the various mortgages arranged by 1 Plus 12 and directed to Missaghi-controlled companies.

96. Attached as Exhibit "**45**" is a copy of 2399029's bank statement from the relevant period (with non-relevant transactions redacted). The statement shows the transfer of $435,196 (the net amount paid to Mansteel after deduction of various fees associated with the mortgage) to 2399029 from Mansteel on January 24, 2017.

97. Between March 28, 2017 to July 6, 2017 2399029 was able to make monthly mortgage payments for four months on behalf of four 1 Plus 12 mortgages – the two New Liskeard (Temiskaming Shores) mortgages, the Timmins mortgage and the Steeles West mortgage as follows:

Date	**Amount**	**Mortgage**
28-Mar-17	$3,333.33	New Liskeard 1st
28-Mar-17	4,497.45	New Liskeard 2nd
28-Mar-17	21,354.17	Timmins
28-Mar-17	24,713.55	Steeles West
03-May-17	9,999.99	New Liskeard 1st
03-May-17	13,492.35	New Liskeard 2nd
03-May-17	74,140.65	Timmins
03-May-17	120,630.86	Steeles West
06-Jun-17	3,333.33	New Liskeard 1st
06-Jun-17	4,497.45	New Liskeard 2nd
06-Jun-17	24,713.55	Timmins
06-Jun-17	36,197.92	Steeles West
06-Jul-17	3,333.33	New Liskeard 1st
06-Jul-17	4,497.45	New Liskeard 2nd
06-Jul-17	24,713.55	Timmins
06-Jul-17	36,197.92	Steeles West
Total	**$409,646.85**	

98. In this action the Plaintiffs allege that the $445,000 draw was wrongfully paid over to Ben's company for Ben's benefit. However, in the appeal from the judgment of the Jaesr action,

Glenn has filed an affidavit that offers contradictory evidence – that the $445,000 was paid to Ben as one year's interest for mortgage on the Jaesr property. The affidavit (without attachments) is attached as Exhibit "**46**".

99. As this mortgage is in default, MGMIC has commenced enforcement proceedings against Mansteel to enforce its security. The enforcement action was previously attached as Exhibit "**21**".

100. *2045 Lakeshore Boulevard, Suite 3103, Toronto*. Kevin also alleges in his affidavit at paragraphs 43 and 44 that a mortgage given to Atlas was a related party mortgage because I became a director of Atlas on December 1, 2013. He also alleges the mortgage was not properly underwritten since the MGMIC mortgage commitment required a minimum appraised value of $1,650,000 and the actual appraised value of the property was $100,000 less, $1,550,000.

101. I have never been an officer or director of Atlas. As with my addition as an officer and director of Enigma (paragraphs 70-72), this was done without my knowledge or consent. The company has always been controlled by Missaghi and Ricci as can be seen as follows:

a) On February 9, 2014, Missaghi was the sole director of Atlas. Attached as Exhibit "**47**" is Corporation Point in Time Report as of February 9, 2014.

b) Atlas took title to the property on February 10, 2014. See transfer attached as Exhibit "**48**".

c) A Corporation Point in Time Report dated February 11, 2014, attached as Exhibit "**49**", lists me as a director of Atlas since December 1, 2013. Missaghi is not mentioned.

d) Corporation Point in Time Reports of March 27, 2015 and May 8, 2018, attached as Exhibits "**50**" and "**51**", list Ricci as the sole officer and director of Atlas.

102. One may infer from my short tenure as a director at the time that Atlas took title that someone wanted to connect me to Atlas to presumably make an allegation that the MGMIC mortgage to Atlas was a mortgage to a related party.

103. The Atlas mortgage was taken by MGMIC on or about August 20, 2015. It was guaranteed by Ricci. This is a strong indication as to who was the legal or beneficial owner of Atlas.

104. The mortgage went into default and MGMIC commenced enforcement proceedings on September 29, 2017. The fact that MGMIC took enforcement proceedings against a company that I was allegedly involved with either shows I was not actually involved with the company or shows my good faith in pursuing default proceedings even when these proceedings were not in my personal interest. The Statement of Claim has previously been attached at Exhibit "**13**".

105. A Statement of Defence was filed and is attached as Exhibit "**52**". While the Defence alleges the mortgage funds were redirected to a company controlled by MGMIC, it does not state that I was a director of Atlas which presumably would have been relevant information to plead.

106. Ricci has filed two affidavits in defence of the action, attached as Exhibits "**53**" and "**54**" (without attached exhibits). Ricci identifies himself as a director of Atlas. While I am mentioned in these affidavits extensively, nowhere does Ricci state I was a director of Atlas at one time. One would have thought this would have been a relevant fact to disclose for the defence.

107. Atlas' lawyer was the same lawyer who is representing the Plaintiffs in this action. As is obvious, I never retained him – evidence of my non-relationship with Atlas.

108. It is difficult to understand how Plaintiffs' counsel could advance evidence in this action that I was a director of Atlas when it appears he has substantial knowledge of the company from his previous representation and knew that I was not a director from that previous representation.

109. Attached as Exhibit "**55**" is a letter dated January 29, 2018 from the Defendants' previous counsel asking the Plaintiffs' counsel that exact question. The response of the Plaintiffs' counsel is attached as Exhibit "**56**". As can be seen, Plaintiffs' counsel does not deal with the very serious allegation made against him with respect to his apparent knowledge that he was advancing evidence to the Court that he knew was not true.

110. As for the $100,000 shortfall in the appraised value of the property, the underwriting for this mortgage was carried out by Bita Ghaffari, a former employee of MGMIC. Her employment has since been terminated.

111. In any event, the fact the mortgage was taken when the appraisal was for an amount marginally less than the minimum set out in the letter of commitment is not significant. Mortgage commitments are provided based on parameters determined to be reasonable by the mortgage underwriter. Once the borrower provides all necessary information, the underwriter may choose not to insist on all terms set out in the commitment because of their belief that, overall, it is suitable to take the mortgage.

112. *558 Dovercourt Road, Toronto*. This is a mortgage taken from 2546456 Ontario Inc. ("**2546456**"), a company in which I have a 50% shareholding interest. It is discussed in Dziarski's August 1st affidavit at paragraphs 17-24.

113. I have never made a secret of my ownership interest in 2546456. The allegations of "self-dealing" in the Dziarski affidavit are unfounded for the following reasons:

a) The mortgage given to 2546456 was for $611,000 at a rate of 12% per year. It was for a 12 month term. It was a second mortgage ranking behind a mortgage for $1,450,000. It was based on an appraisal that the property was worth $2,425,000 as of March 30, 2017. Attached as Exhibits "**57**" and "**58**" are copies of the first two pages of the MGMIC mortgage commitment letter and a copy of key portions of the appraisal.

b) The mortgage went into default in June of 2018 when it came due. While I was willing to pay my share of the mortgage, the other 50% shareholder in 2546456, 2496050 Ontario Inc., controlled by Ricci, was not willing to contribute its portion. There is extensive correspondence between Ricci and me confirming this fact. As an example, I attach as Exhibit "**59**" an email dated September 29, 2017 asking Ricci about his failure to make his company's share of the mortgage payments.

e) By Notice of Application dated July 9, 2018 MGMIC sought and obtained the appointment of a receiver to manage an orderly sale of the Dovercourt property. This was previously attached as Exhibit "**17**".

f) Ben's affidavit in support of the application (without exhibits) is attached as Exhibit "**60**". Paragraphs 9 and 12 of the affidavit sets out in detail my involvement with 2546456 both before and after the mortgage was taken by MGMIC. If I was trying to hide my involvement with the company, as alleged by Dziarski, why would Ben have provided such full disclosure in his affidavit?

g) Counsel for the Plaintiffs acted for the mortgagor in this proceeding. He wrote to then counsel for the Defendants on August 2nd, 2018 accusing MGMIC of failing to disclose key evidence to the Court (an allegation denied by MGMIC's counsel) and stating he would be seeking instructions to set aside the receivership order. The chain of emails is attached as Exhibit "**61**".

Lack of Credit Committee Approval – Paragraph 28

114. The role of MGMIC's Credit Committee is set out in the May 5, 2015 OM at page 14. The Committee's role was to "review all proposals regarding investment decisions and to approve or reject such proposals.

115. The answer to the allegations made by Kevin with respect to the Credit Committee are the same as the answer to the allegations in relation to the Investment Committee, discussed above at paragraphs 61-63.

116. MGMIC is a small company. All of its employees were in constant dialogue throughout the day. All mortgages taken after I joined the Credit Committee were reviewed extensively by Ben and me. I can attest to the fact the same procedure was followed before I joined the Credit Committee.

117. MGMIC concedes it did not minute these discussions. Had it done so, these allegations could have easily been refuted.

Investment in Third Mortgage – Paragraphs 30-31

118. Kevin is correct that at the time the Boake Trail mortgage was taken, the MGMIC OM did not explicitly allow for third mortgages.

119. However, by the time Kevin subscribed for his last shares in MGMIC, the OM that governed this purchase explicitly allowed third mortgages. Kevin never raised any objection to this provision. One may infer from the fact he purchased the shares that he did not disagree with the provision.

120. What should be of paramount importance to Kevin although never mentioned in his affidavit is that the mortgage did not overly leverage the property (see discussion below at paragraphs 123-127), Ben paid a commercially reasonable interest rate of 14% and the mortgage was repaid in full on August 17, 2016. Attached as Exhibits "**62**" and "**63**" are copies of the first page of the MGMIC mortgage commitment and the mortgage discharge statement.

121. It is also important to note that this mortgage was disclosed to shareholders in the audited financial statements of MGMIC. See the May 2016 statement previously attached as Exhibit "**19**".

<u>Mortgage in Excess of Appraised Value – Paragraphs 32-33</u>

122. Kevin is incorrect when he states that the LTV ratio on Boake Trail was 106% and the LTV ratio on 11 King High Drive in Vaughan was 132%. This double-counts two mortgages.

123. The appraised value of Boake Trail was $2,150,000. Kevin sets out in his affidavit (paragraph 33) that the appraised value of King High Drive was $1,700,000. In fact, it was appraised at $1,900,000. See Exhibit "**64**". Therefore, the total appraised value of both properties was $4,050,000.

124. Against this, Boake Trail had a first mortgage of $1,259,566. King High Drive had a first mortgage of $1,225,729. The second mortgage on both properties, $525,000, is the

same mortgage but security was taken by the mortgagee on both properties. Kevin's affidavit counts this mortgage twice but it should only be counted once.

125. Similarly, Kevin counts the $500,000 MGMIC mortgage twice in calculating his LTV ratios but it should only be counted once.

126. The total of the mortgages against both properties is $3,510,295 ($1,259,566 + $1,225,729 + $525,000 + $500,000). This is well below an LTV ratio of 100% against the appraised value of both properties. The two first mortgage amounts and the one second mortgage amount are attached as Exhibits "**65**", "**66**" and "**67**".

Size and Concentration of Mortgages – Paragraphs 34-35, 38-42

127. Kevin alleges that two mortgages were improper because of their size, *i.e.* they were for amounts in excess of $2 million and they exceeded the maximum mortgage concentration levels set out in the May 2015 OM. The two mortgages are 1107 Lakeshore Road South, Temiskaming Shores (New Liskeard) and 5355 Highway 101 West, Timmins.

128. I have already dealt with the issue of the New Liskeard mortgage being in excess of $2 million at paragraphs 84-86 of this affidavit. The same explanation applies to the Timmins mortgage.

129. The concentration allegation made by Kevin is that the New Liskeard mortgage and Timmins mortgage accounted for 62% of MGMIC's mortgage portfolio. This exceeds the OM requirement that a maximum of 35% of MGMIC's assets could be invested in mortgages on commercial and industrial properties.

130. This allegation is picked up from the OSC allegations and is being contested by MGMIC. The potential of the Timmins property was to develop it for residential uses as

evidenced by the January 12th, 2018 letter from Carlo Esposito, the appraiser who carried out the appraisal on this property for MGMIC. The letter is attached as Exhibit "**68**".

131. Once the Timmins property is treated as a residential rather than commercial or industrial property, MGMIC meets the maximum concentrations set out in its OM.

Enforcement of MGMIC Security

132. The Plaintiffs allege at paragraph 18 of the Statement of Claim that the Defendants "have negligently not directed MGMIC to vigorously pursue its remedies in respect of mortgages that are in default by allowing mortgages to be in default of interest obligations for many months or years without taking appropriate steps to enforce security". This is not true.

133. As five of the six Notices of Application and Statements of Claim at Exhibits "**13**", "**15**", "**16**", "**17**" and "**18**" disclose, MGMIC has been very active in enforcing its security on loans in default. It is to be noted:

a) The Plaintiffs' counsel acted on behalf of the Atlas mortgagors in Action CV-17-583592, Exhibit "**13**". He, therefore, knows of MGMIC's enforcement steps. It is ironic that he has issued this Statement of Claim criticizing MGMIC for not enforcing its security while at the same time he defends a defaulting mortgagor against MGMIC in another action.

b) MGMIC took enforcement proceedings against Jaesr in Action CV-17-62994 (Exhibit "**15**") (discussed below), a company controlled by the Estrabillo family. Once again it is ironic that the Plaintiffs would criticize MGMIC for failing to take steps to enforce security when Kevin knew of the steps being taken against Jaesr and has resisted those steps in any way he could.

c) MGMIC took enforcement proceedings regarding the defaulted mortgage at 558 Dovercourt Road, a property which I co-owned (Exhibit "**17**"). This is strong evidence of MGMIC taking its obligations seriously even though acting on those obligations were detrimental to the interests of MGMIC principals. It is also ironic that the Plaintiffs' counsel objected to the appointment of a receiver to enforce this mortgage and said he was going to take instructions from his client to set aside the receivership order.

<u>Non-Disclosure of Kevin's Involvement in Jaesr</u>

134. As is apparent from this affidavit, the Plaintiffs failed to make full disclosure to Justice Hainey in many respects. Perhaps the most significant act of non-disclosure by the Plaintiffs is Kevin's failure to mention mortgage enforcement proceedings against a property owned by his family company, Jaesr, at 229 Mohawk Road in Hamilton (the "**Jaesr Property**").

135. Jaesr's corporate profile report lists Kevin as a director of the company. Mortgage enforcement proceedings were commenced with respect to the Jaesr Property in December of 2017 (previously attached as Exhibit "**15**") with a return date for a motion for summary judgment under the mortgage set for January 11, 2018, i.e. virtually the same dates as the Plaintiffs were before Hainey, J.

136. Yet the Plaintiffs did not disclose this mortgage enforcement action to the Court. Attached as Exhibits "**69**" and "**70**" are the Motion Record and Supplementary Motion Record. The Judgment of the Court was previously attached to this affidavit at Exhibit "**12**". This judgment is under appeal.

137. I am advised by MGMIC's property manager, Jordan Samuel ("**Samuel**"), and believe that he arranged for a bailiff to attend at the Jaesr Property to take possession and change the locks. Both Glenn and Kevin have impeded MGMIC's efforts to enforce its security as can be seen from the following documents attached as Exhibits "**71**", "**72**", and "**73**":

a) Email of February 23, 2018 from Samuel advising that Kevin attended at the Jaesr Property and insisted he was the owner of the property notwithstanding MGMIC had obtained judgment against Jaesr ten days earlier on February 13, 2018 (see Judgment at Exhibit "**12**"). Kevin's actions were described as "intimidating and aggressive". He insisted the Judgment meant "nothing" and told tenants in the building to disregard the notice Samuel was providing that MGMIC had taken over the building.

b) Letter from Glenn to tenants dated February 26, 2018 advising that MGMIC is obligated to repay the Jaesr mortgage, not Jaesr and has refused to do so. Because of this, Glenn states Jaesr "has decided" not to pay MGMIC the amounts due under the Jaesr mortgage.

c) Email of March 3, 2018 from Samuel advising that Kevin had advised tenants in the Jaesr Property that the mortgage issue had been "resolved" and Jaesr was in possession of the building again. This was not true. Jaesr illegally collected rent from all tenants except one.

Winding Up MGMIC

138. As set out above, many of the mortgages that MGMIC invested in were introduced to the company by Glenn, Mohammed, DeStephanis and Kawa. Also as set out above,

MGMIC has had to take enforcement proceedings to enforce its mortgage security on the properties.

139. These steps strained Ben and my relationship with these individuals as well as our relationship with their close business associate, Ricci.

140. The number of defaults led us to an obvious conclusion – the real estate portfolio introduced to MGMIC by these individuals was a problem that had to be dealt with by MGMIC.

141. This conclusion was reinforced by the OSC temporary order. Ben and I decided in the fall of 2017 that the most prudent course would be to wind up MGMIC. This would be accomplished in one of two ways:

a) Some mortgages would be discharged in the portfolio creating a pool of cash with which to redeem preferred shares.

b) Some mortgages would be transferred to preferred shareholders in exchange for the redemption of their preferred shares.

142. In his affidavit (paragraph 47), Kevin acknowledges that preferred shareholders were made aware of MGMIC's plans to wind up the company. Kevin's sole objection as set out in that paragraph seems to be that MGMIC has not called a special meeting to allow preferred shareholders to vote on the plan.

143. Kevin is not aware of or ignores the extensive work done to gain shareholder approval of the plan including a meeting of all shareholders on November 16th.

144. The first time Ben and I were advised that Kevin had any concerns about the wind-up plan was when we received his affidavit after the ex-parte Order had been obtained from Justice Hainey.

145. As 1 Plus 12 investors amounted to about 75% of the preferred shareholders of MGMIC, Ben and I started our discussions about the MGMIC wind-up with the 1 Plus 12 principals, specifically Ricci, Glenn and Mohammed. It was important for Ricci, Glenn and Mohammed to cooperate with the process if the plan was to succeed.

146. Discussions with these individuals took place in the early fall of 2017. By their conclusion in late September or early October, an agreement was reached on the wind-up plan including what mortgages would be transferred to preferred shareholders.

147. In anticipation of the wind-up, Ricci arranged for the 1 Plus 12 preferred shareholders to obtain independent legal advice about the wind-up from a lawyer, Patrick Jang ("**Jang**"). An email was sent to these shareholders advising of a date and time at which they could meet with Jang. An example of such an email is attached as Exhibit "**74**".

148. The email also enclosed several documents including Jang's (and Ricci's) retainer agreement, a form for the shareholder to open a self-directed RRSP and two draft purchase agreements dealing with assignment of MGMIC mortgages to shareholders. These documents are attached as Exhibits "**75**", "**76**", "**77**" and "**78**". Key parts of the retainer agreement are:

a) The reference line refers to the "Sale of your Shares in Money Gate Investment Corporation in exchange for an Assignment of Mortgage in the Property described in Schedule A".

b) Schedule A lists four properties – Temiskaming Shores (New Liskeard), Dovercourt, Timmins and Steeles.

c) Jang agrees to complete the sale of the MGMIC shares for the client in exchange for the assignment of five mortgages on four properties, *i.e.* the mortgages set out in Schedule A.

d) The client acknowledges the decision to sell their shares in MGMIC "is a business decision that you have made independently of any legal advice I may provide". The client acknowledges that he has:

> made the decision to sell [his] shares in Money Gate Mortgage Investment Corporation in exchange for a proportional assignment in an investment instrument in the form of a Mortgage Charge in a single property, along with other investors who have all, including you, consulted with A13MG [Ricci's company] in consultation with 1 PLUS 12 to arrive at this business decision.

e) The client authorized A13MG to act as his/her agent or power of attorney to complete the transaction.

149. Ben wrote to shareholders on November 6, 2017 inviting them to a meeting at the MGMIC offices on November 16th. See Exhibit "**79**". Also attached as Exhibits "**80**" and "**81**" is a list of all emails and names to whom the invitation was sent and the date and time it was sent as well as a summary of how many recipients opened the email and indicated they would attend the meeting.

150. On November 9th I wrote to Jang asking him to advise details of the agreements signed with MGMIC shareholders so that "we can review and move forward with the assignments". At that time I had never seen Jang's retainer agreement with shareholders or the list of four properties that were set out in Schedule A to the agreement. Jang replied on November 11th providing some of the information requested (the draft purchase agreements previously attached at Exhibits "**77**" and "**78**" but not the retainer agreement. See Exhibit "**82**" for both emails.

151. Correspondence from Mohammed showed he supported the wind-up. Mohammed wrote me an email dated November 9, 2017, attached as Exhibit "**83**", in which he stated "we" would be taking the "Lakeshore" properties by way of assignment instead of discharge. Mohammed also suggested there were other properties that would be assigned.

152. This email also shows the close relationship between Missaghi and Mohammed. Twice in the email Mohammed says we (the 1 Plus 12 principals) do not wish to "burden" Missaghi as he "has done already a lot".

153. On November 9, 2018 Mohammed wrote another email to me objecting to the planned meeting. See Exhibit "**84**". This email is important and shows that, at that time, 1 Plus 12 supported the wind-up plan and wished to move forward with it as quickly as possible:

> Payam
>
> Re share holder's meeting –
>
> This invite has caused many of our investors to rethink their position till after the meeting, is the sentiment.
>
> This causes an issue, once again left up to 1 plus 12 to clean up…these types of actions produce make work projects.
>
> Consider what's at stake and the amount of work being done and already done.
>
> Our current position is simply to move things along, Money Gate's action of a meeting will continue to, and has already caused impact and cause for concern on the Investor's part.
>
> Our request :
>
> Assign the mortgages post hast (no more wast of time). Lawyer on our side is on ready – we have verified that assignments as per our request was a solution we all agreed to approx a month ago and was agreeable to all parties, we have emails to this effect. Ara for the sake of helping everyone came to our collective aid and agreed to put up additional colloeteral fashinion another plan, namely the roll
>
> As of this email we reiterate our position to simply take the asinsgmets
>
> Provide the list of properties and the mortgages being assigned include lakeshore (sai) and Hamilton mortgage (Glenn)

we will deal with our investors on the redemptions

Any other actions or considerations or cant or won'ts – other than the above request is grounds to consider undue delays (pointing to money gate as the cause) this too has impacts

Sai

154. On November 10th, I received an email from Glenn advising that Jang had directions for assigning the following mortgages to MGMIC preferred shareholders - Dovercourt, Steeles, Timmins, Mansteel 1st and 2nd (Temiskaming Shores/New Liskeard), Jaesr and Sai (2045 Lakeshore Blvd. W., Suite 3103, Toronto). The email is attached as Exhibit "**85**".

155. The list of properties includes two that were not in Jang's retainer agreement – Jaesr (owned by the Estrabillo family) and Sai (2045 Lakeshore Blvd. West, Suite 3103 in Toronto). The latter property is a condominium unit owned by Ricci in which Mohammed resides. As Ben and I had never seen the retainer agreement to this point in time so did not know which properties it listed that were to be transferred, we were not aware that Jaesr and Sai were not listed in that agreement.

156. I do not understand why the two properties were not listed in the retainer agreement as they were always included in the list of mortgages that were to be assigned as is apparent from Glenn's November 10th email. Glenn's email was simply a confirmation of what we had expected would occur.

157. It makes sense that the mortgages to be assigned would include the Jaesr and Sai mortgages because the rationale for the structure of the wind-up was that the mortgages introduced by the 1 Plus 12 group would be assigned to the 1 Plus 12 investors while the non-1 Plus 12 investors would have their preferred shares redeemed for cash. The Jaesr and Sai mortgages had been introduced to MGMIC by the 1 Plus 12 group, as is obvious from the fact they were mortgages taken from 1 Plus 12 principals, Glenn and Ricci.

158. The mortgages introduced by the 1 Plus 12 group included Jaesr and Sai

159. Notwithstanding Sai's views expressed in his November 9th email, Ben and I believed a shareholders' meeting was necessary and it was held on November 16, 2017. Neither Kevin nor Dziarski attended the meeting although they were invited. Jang represented them at the meeting.

160. At the meeting, Ben and I discussed the following:

a) The preferred share redemption plan was reviewed. Shareholders were advised that they could redeem their shares for cash if they did not wish to take an assignment of the MGMIC mortgages.

b) Jang, who to that point only represented preferred shareholders who were associated with 1 Plus 12, offered to also provide legal advice to non-1 Plus 12 shareholders.

c) Shareholders were given copies of the 2016 audited financial statements (Exhibit "**19**"), the 2017 unaudited MGMIC internal results and the most recent OM dated January 31, 2017.

161. No one opposed the wind-up plan at the meeting including the assignment of some of the mortgages to participating preferred shareholders.

162. After the meeting, we wrote an email to all MGMIC preferred shareholders that was identical to the one set out in Exhibit "G" to Kevin's affidavit. The email is attached here as Exhibit "**86**". In the email, we confirmed what occurred at the November 16th meeting as follows:

a) The best course was to wind down MGMIC.

b) Once approved by the OSC, all shareholders would be redeemed. OSC approval is necessary because of the OSC order against MGMIC.

c) No further dividends would be paid.

d) A large group of investors had come forward with independent counsel to purchase/assign to themselves a portion of MGMIC's mortgage portfolio. Anyone who wishes to learn more about this was told to contact Ben or me.

163. Kevin received and opened both the November 6th email inviting him to the November 16th meeting and the November 27th email reviewing what happened at the meeting. This is evidenced by MGMIC's Contact History document with him attached as Exhibit "**87**".

164. We received a letter from Plaintiffs' counsel on November 30, 2017 seeking information on behalf of Glenn as a result of the November 27th email. The letter is attached as Exhibit "**88**". Contrary to his position in this litigation, counsel seemed positive about the wind-up as he wrote "we would like to take you up on your offer to discuss the redemption and/or any other options".

165. Ben and I were puzzled by the letter since Glenn was not a shareholder of MGMIC. Ben wrote an email to counsel on November 30th declining to meet anyone representing a non-shareholder of MGMIC. Counsel responded that day that his reference to Glenn was a "typo". He actually was writing on behalf of Kevin.

166. Ben still declined to meet with counsel as he was litigating several actions against MGMIC. Ben said he was willing to meet with Kevin individually or with Kevin and another lawyer. There was no response to this email which is attached as Exhibit "**89**".

167. I do not understand why Kevin did not take the opportunity to meet with Ben and me if he truly did have questions or concerns about the wind-up plan.

168. On January 13th, 2018, Ben emailed MGMIC preferred shareholders to update them on the wind-up plan and advise that the OSC had been told of the wind-up plan. Ben also enclosed a copy of Richard's letter to the OSC of December 6, 2017 previously attached as Exhibit "**7**". Ben's email is attached as Exhibit "**90**" along with a list of all preferred shareholders who received the email.

169. With the delay in the assignment of the mortgages as part of the MGMIC wind-up because of the commencement of this action and Order obtained by Justice Hainey on January 5th, Richard wrote to the OSC on March 8, 2018 asking that MGMIC be granted permission to make a pro-rata redemption to all shareholders in the amount of $500,000. Richard advised the OSC that Ben would not take participate in the redemption. See Exhibit "**91**". Other letters followed between Richard and the OSC.

Affidavit of Samin Davoudi Sworn August 1, 2018

170. I have read the affidavit of Samin Davoudi ("**Davoudi**") sworn on August 1st, 2018. It purports to attach "statements of support" from preferred shareholders of MGMIC.

171. Each of their statements makes reference to their review of the OSC allegations against MGMIC. As I have stated earlier in this affidavit, MGMIC denies the allegations made by the OSC and is currently contesting them. No findings have been made against MGMIC by the OSC.

172. Accordingly, as these statements are based on unproven allegations that are in dispute, I will not deal further with Davoudi's affidavit or the Statements of Support it contains.

173. I have read the affidavit of Gary S. Farb that the Defendants have filed. In doing so, I have read the transcript of Ricci's voicemail message. I have excerpted portions of the message (in italics) and have the following comments:

a) *Near the time this project was to complete, Money Gate MIC changed the mortgages from the original list as presented in the schedule of the retainer letter you signed.* This is not true. As I state in paragraphs 155 to 157 of this affidavit and confirmed by Glenn's email of November 10th, the mortgages that were always to be transferred to certain MGMIC shareholders were Dovercourt, Steeles, Timmins, Mansteel 1st and 2nd (Temiskaming Shores/New Liskeard), Jaesr and Sai (2045 Lakeshore Blvd. W., Suite 3103, Toronto). MGMIC has always been willing to proceed on this basis and is willing to do so today.

   It is Ricci, Glenn and Mohammed who changed their minds on what mortgages to transfer. MGMIC had a fiduciary and legal obligation as a MIC to transfer the mortgages at their face value. At some point it became clear that the value of the preferred shares represented by Ricci, Glenn and Mohammed that were to be redeemed in exchange for these mortgages was not as much as the face value of the mortgages.

   I advised Ricci, Glenn and Mohammed that the difference would have to be made up in cash. MGMIC had no choice in making this request. Ricci, Glenn and Mohammed did not want to or could not generate the cash necessary to make up the shortfall. Glenn instead suggested, in an obvious conflict of interest, that the Jaesr and Sai mortgages should be forgiven because he, Ricci and Mohammed had helped facilitate the investment of 1 Plus 12 investors in MGMIC mortgages. I could not agree to this suggestion for obvious reasons.

In my view, this is why Ricci, Glenn and Mohammed changed their minds about proceeding with the wind-up plan; not any of the reasons given to preferred shareholders in Ricci's voicemail message.

b) *There were many questions surrounding the new mortgages that Money Gate MIC was proposing including whether there was adequate value to cover the value of the exchange preference shares and whether Money Gate even had the relevant interest in such mortgages at the time they proposed such changes.* Neither Ricci, Mohammed, Glenn nor Jang nor anyone else ever raised these issues with Ben and me. The value of the mortgages to be assigned always had to be assigned at face value. This had not changed since the original wind-up structure had been agreed upon in September. I am not sure why Ricci would be concerned about MGMIC's "interest" in the mortgages but, to be clear, MGMIC does own all the mortgages and title searches on the properties would easily verify that.

c) *Furthermore, Money Gate MIC is still facing challenges from the Ontario Securities Commission.* This makes no sense. One of the reasons why the wind-up was taking place was because of the OSC investigation. It was underway when the wind-up plan was agreed to and it was never a term of the agreement with Ricci, Glenn and Mohammed that the OSC investigation had to be concluded before the plan was put in place.

d) *This motion seeks to provide the preference shareholders with some control over the Money Gate MIC and its processes in dealing with Money Gate MIC assets,* *i.e. the mortgages.* Ricci does not explain why preferred shareholder need "some control" over MGMIC and the process. MGMIC was willing to move forward with the plan that had been agreed to previously with Ricci, Glenn and Mohammed.

e) *The benefit to all of you in this happening is to provide for the greatest opportunity to actually complete the note exchange process that had begun at the beginning of October.* Ricci does not explain why the "greatest opportunity" was required. MGMIC was ready to "complete the note exchange process that had begun at the beginning of October".

Motivation for this Action

174. I do not know why the Plaintiffs have commenced this action but there are two possibilities. The first is that Kevin and Glenn wished to impede MGMIC's ability to pursue recovery with respect to the Jaesr Property.

175. Kevin and Glenn have steadily resisted MGMIC's efforts to act on its security. First they appealed the Judgment obtained by MGMIC. They then paid off the mortgage (notwithstanding all their defences that default had not occurred) but continued to appeal the Judgment on the basis that the mortgage amounts claimed by MGMIC were not correct.

176. Kevin's efforts with respect to the Jaesr Property would appear to put him in a conflict of interest since he purports to advance shareholders' interests in this action while at the same time seeking to impede MGMIC's efforts to enforce shareholders' interests in the Jaesr action.

177. The second possibility, discussed fully above, is that Ricci, Glenn and Mohammed changed their mind about the wind-up plan and assignment of mortgages. If this is correct, they are using Kevin and Dziarski as conduits to accomplish their own goals.

178. The fact that it is Ricci who was the Power of Attorney for all the preferred shareholders as set out in the retainer agreement with Jang and that it was Ricci who left a voice message for all shareholders advising he was assisting Plaintiffs' counsel provides telling evidence that Kevin and Dziarski are not the driving force to this litigation. The litigation is truly being advanced by Ricci, Glenn and Mohammed and the other 1 Plus 12 principals for goals that are not being disclosed to the Court.

179. It is my view that the wind-up of MGMIC is in all parties' interest. It still must be approved the OSC and this Court can assume the OSC would not grant such an approval unless it was persuaded these steps were in the interest of the preferred shareholders.

180. As for the Plaintiffs' desire to remove Ben and me as directors of MGMIC, we are elected annually as directors by the shareholders of the company. If the shareholders wish to remove Ben and me, they may do so at the company's next annual meeting.

181. Based on all the evidence set out in this affidavit, I do not believe there is a basis for the extraordinary step of having the Court remove Ben and me from our positions or to grant any of the extraordinary relief claimed by the Plaintiffs.

182. For these reasons the Defendants ask this Court dismiss the motion of the Plaintiffs. In addition, the evidence and the significant non-disclosure by the Plaintiffs before Hainey, J. support an Order vacating the restrictions on MGMIC set out in Justice Hainey's January 5, 2018 Order.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on September 13th, 2018

Commissioner for Taking Affidavits
(or as may be)

Mitchell Wine

PAYAM KATEBIAN

This is Exhibit "P" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

Request ID: 019923032
Transaction ID: 63593684
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/15
Time Report Produced: 10:57:50
Page: 1

Certified a true copy of the data as recorded on the Ontario Business Information System.

Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number
2450531

Corporation Name
2450531 ONTARIO LIMITED

Incorporation Date
2015/01/20

Jurisdiction
ONTARIO

Corporation Type
ONTARIO BUSINESS CORP

Corporation Status
ACTIVE

Former Jurisdiction
NOT APPLICABLE

Registered Office Address

2450531 ONTARIO LIMITED
28 DALE PARK CRT

MARKHAM
ONTARIO
CANADA L3T 2A2

Date Amalgamated
NOT APPLICABLE

Amalgamation Ind.
NOT APPLICABLE

New Amal. Number
NOT APPLICABLE

Notice Date
NOT APPLICABLE

Letter Date
NOT APPLICABLE

Mailing Address

2450531 ONTARIO LIMITED
28 DALE PARK CRT

MARKHAM
ONTARIO
CANADA L3T 2A2

Revival Date
NOT APPLICABLE

Continuation Date
NOT APPLICABLE

Transferred Out Date
NOT APPLICABLE

Cancel/Inactive Date
NOT APPLICABLE

EP Licence Eff.Date
NOT APPLICABLE

EP Licence Term.Date
NOT APPLICABLE

Number of Directors Minimum	Maximum	Date Commenced in Ontario	Date Ceased in Ontario
00001	00010	NOT APPLICABLE	NOT APPLICABLE

Activity Classification
NOT AVAILABLE

Request ID: 019923032
Transaction ID: 63593684
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/15
Time Report Produced: 10:57:50
Page: 2

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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	**Corporation Name**
2450531	2450531 ONTARIO LIMITED

Corporate Name History	**Effective Date**
2450531 ONTARIO LIMITED	2015/01/20

Current Business Name(s) Exist: NO

Expired Business Name(s) Exist: NO

Administrator:
Name (Individual / Corporation)

PANTEA

SAHEBDIVANI

Address

293 EUCLID AVENUE

TORONTO
ONTARIO
CANADA M6J 2K1

Date Began	**First Director**	
2016/04/20	NOT APPLICABLE	
Designation	**Officer Type**	**Resident Canadian**
DIRECTOR		Y

Request ID: 019923032
Transaction ID: 63593684
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/15
Time Report Produced: 10:57:50
Page: 3

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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2450531	2450531 ONTARIO LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2017/01/13 (ELECTRONIC FILING)

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 certified report in electronic form is authorized by the Ministry of Government Services.

Request ID: 019932390
Transaction ID: 63617842
Category ID: (C)CC/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/02/17
Time Report Produced: 08:30:22
Page: 1

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Director
Ministry of Government Services
Toronto, Ontario

CORPORATION DOCUMENT LIST

Ontario Corporation Number
2450531

Corporation Name
2450531 ONTARIO LIMITED

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)	
CIA	CHANGE NOTICE PAF: SAHEBDIVANI, PANTEA	1	2017/01/13	(ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: KATEBIAN, MORTEZA	1	2016/09/27	(ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: KATEBIAN, PAYAM	1	2016/08/12	(ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: MACAULAY, KERRI ANN	1	2016/04/20	(ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: KATEBIAN, PAYAM	1	2016/02/11	(ELECTRONIC FILING)
CIA	CHANGE NOTICE PAF: MACAULAY, KERRI ANN	1	2015/02/05	(ELECTRONIC FILING)
BCA	ARTICLES OF INCORPORATION	1	2015/01/20	(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 certified report in electronic form is authorized by the Ministry of Government Services.

This is Exhibit "Q" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

TD Canada Trust

Branch: 2047 ANCASTER BRANCH
977 GOLFLINKS ROAD
ANCASTER, ON

Date: Jan 24, 2017, 07:40PM
Ref #: 009647364 - ZPIE

From: 2047-52***43
Debit Memo Transfer
MANDANI TK
435,196.00

To: 1085-54***32
Credit Transfer
2399029 ONTA
435,196.00

Banking can be this comfortable

TD Canada Trust

Branch: 1085 BEAVER CREEK COMM
BKC·T
·0 ·MMERCE VALLEY DR W
·100
MARKHAM, ON

Date: Jan 25, 2017, 11:31 AM
Ref #: 00851851·7· ZTBH

From: 1085-54***32
Debit Memo
2399029 ONTA 100,007.50

To: Draft CANADA CAPITAL
CORPORATION INC.
79713440 AFX Ref #
170250022 100,000.00

To: 1085-470 Draft Commercial
Fee 7.50

Banking can be this comfortable

Cheque Item Image User: Grace Skoczylas

Request #:	-1	**Request Desc:**	
Transit - FI #:	09612-004	**Account #:**	3808
Sequence #:	1143857613	**Amount:**	$100,000.00 CAD
Date:	01/25/2017		

10358 (12/15) THIS DOCUMENT IS PRINTED ON WATERMARKED PAPER - SEE BACK FOR INSTRUCTIONS

The Toronto-Dominion Bank 79713440

220 COMMERCE VALLEY DRIVE WEST UNIT 100
MARKHAM, ON L3T 0A8

DATE 2017-01-25
YYYYMMDD

Transit-Serial No. 1085-79713440

Pay to the Order of CANADA CAPITAL CORPORATION INC. $ ****100,000.00

ONE HUNDRED THOUSAND00/100 Canadian Dollars

Authorized signature required for amounts over CAD $5,000.00

Re

Number

The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2

Authorized Officer

Countersigned

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈79713440⑈ ⑆09612⑉004⑆ ⑈3808⑈

Printer ID#T011F-B

JAN 2 5 2017

Deposit To:

Endorsement - Signature or Stamp

Canada Capital Corporation

02712 4725611

TDCT ON 016 TOR
AU 70125 ISN: 1143857613

C.I.B.C
TORONTO PC
01/25/2017
2400039427

BACK/ENDOS

Print Close

TD Canada Trust

Branch: 1284 TOR-1470 DON MILLS RD
1470 DON MILLS RD
DON MILLS, ON

Date: Jan 25, 2017, 02:46 PM
Ref #: 00069477-4 - ZSAN

From: 1085-54***32
Debit Memo Transfer
2399029 ONTA
140,000.00

To: 1085-54***24
Credit Transfer
245 ONT LTD
140,000.00

Customer Signature

X

Banking can be this comfortable

Canada Trust

Branch: 1284 TOR-1470 DON MILLS RD
1470 DON MILLS RD
DON MILLS, ON

Date: Jan 25, 2017, 05:48 PM
Ref #: 00069514/4 - ZFAR

From: 1085-54***32
Debit Memo Transfer
2399029 ONTA
13,326.00

To: 1085-71***90
Credit Transfer
KATEBIAN B P
10,000.00 USD

To: Customer Cash (Cash Out)
5,000.00 USD

From: 1085-71***90
Withdrawal
KATEBIAN B P
5,000.00 USD

Sell 10,000.00 USD (AFX Ref #
170250034)
(13,326.00 CAD @ 1.332600)

40794 55505
70927

Banking can be this comfortable

K0794 - 56505 - 70927

TD Canada Trust

2019/09/27

Branch: 0315 THORNHILL MAIN
2900 STEELES AVE E UNIT 35
THORNHILL, ON

Date: Jan 25, 2017, 07:14 PM
Ref #: 00596540/8 - ZKUM

From: 1085-54***32
Debit Memo
2399029 ONTA
116,007.50

To: Draft C and K Mortgage
Services Inc. 80020932
AFX Ref # 170250035
116,000.00

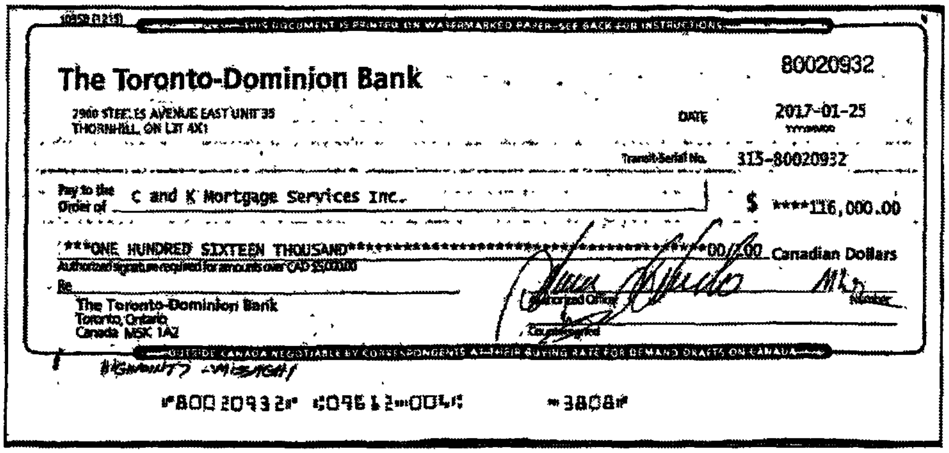
To: 315-470 Draft Commercial
Fee
7.50

Banking can be this comfortable

Cheque Item Image

User: Grace Skoczylas

Request #:	-1	Request Desc:	
Transit - FI #:	09612-004	Account #:	3808
Sequence #:	4143903300	Amount:	$116,000.00 CAD
Date:	01/27/2017		



The Toronto-Dominion Bank

80020932

2960 STEELES AVENUE EAST UNIT 35
THORNHILL, ON L3T 4X1

DATE 2017-01-25

Transit-Serial No. 313-80020932

Pay to the Order of C and K Mortgage Services Inc. $ ****116,000.00

ONE HUNDRED SIXTEEN THOUSAND00/100 Canadian Dollars

Authorized signature required for amounts over CAD $5,000.00

Re

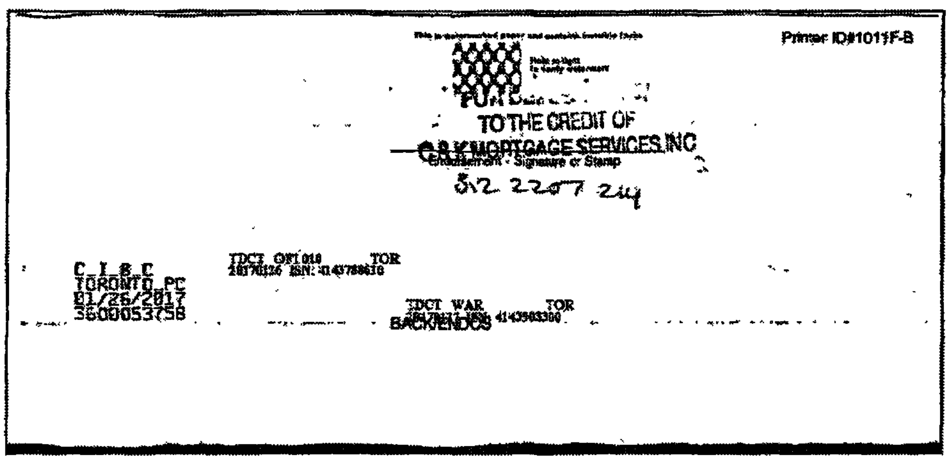
The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2

Authorized Officer

Countersigned

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈80020932⑈ ⑆09612⑉004⑆ ⑈3808⑈



Printer ID#1011F-B

TO THE CREDIT OF
C & K MORTGAGE SERVICES INC
Endorsement - Signature or Stamp

512 2207 214

C I B C
TORONTO PC
01/26/2017
3600053758

TDCT OPI 018 TOR

TDCT WAR TOR
BACKENDOS 4143903300

Print Close

TD Canada Trust

Branch: 1284 TOR-1470 DON MILLS RD
1470 DON MILLS RD
DON MILLS, ON

Date: Jan 30, 2017, 03:31 PM
Ref #: 00070756/5 - ZLJH

From: 1085-54***32
Debit Memo Transfer
2399029 ONTA
68,874.67

To: 1085-54***24
Credit Transfer
245 ONT LTD
68,874.67

Customer Signature

X

Banking can be this comfortable

This is Exhibit "R" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

From: Kevin Richard <krichard@groiaco.com>
Sent: October 30, 2017 9:19 AM
To: Louisa Fiorini
Subject: Moneygate

Louisa,

Can you let me know who the lawyer is on this file now. I would like to discuss an issue concerning the Moneygate MIC with you and him/her, namely the desire to see the MIC redeem all investors and be wound up.

Yours truly,

Kevin Richard
Groia & Company Professional Corporation
365 Bay Street, Suite 1100
Toronto ON M5H 2V1
(D) 416-203-4485
(F) 416-203-9231
www.groiaco.com

This is Exhibit "S" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

144

MONEY

Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

November 2nd, 2017

Residential THIRD Mortgage Assignment - Instrument AT3001170

Based upon and subject to the accuracy of information furnished to us, we undertake to provide the mortgage financing, subject to the following terms and conditions set out below, and on Schedules "A" & "B" & "C" (if applicable), which schedules forms part of this Commitment.

Type of Mortgage: Residential Third Mortgage Assignment
Lender: Money Gate Mortgage Investment Corporation

Assignor: World Finance Group

Loan Amount: $1,850,000.00
Property Address: 4 Birchmount Road, Toronto ON M1N 3J4

Term (Months)	Interest Rate	Interest PMT	Funding Date	Amortization (Months)	Lending Fee	Non Refundable Deposit
6	**13%**	**$20,041.67**	**November 10, 2016**	**Int. Only**	**$40,000.00**	**N/A**

By signing this commitment you are acknowledging that the interest adjustment date may change if the final funding date changes.

Payments due under this mortgage will be made by a pre-authorized payment debit system. This mortgage will be paid monthly unless otherwise indicated by the assignor and authorized by the lender on the Schedule A attached herein.

Additional Costs:

Legal Fees & Disbursements

Your acceptance of this Commitment will be your undertaking to pay these costs together with all legal costs and fees incurred, whether or not this Charge/Mortgage is advanced. Please reference registered Standard Charge Terms No. 200433(ON) which form part of this commitment.

Initials: T.W PK

MONEY

Corporation

Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

IN ALL MATTERS, TIME SHALL BE OF THE ESSENCE.
This commitment is open for your acceptance until the Commitment Acceptance Date after which time/date this Commitment will be null and void. This Commitment, if accepted is valid until the Final Funding Date after which time/date this Commitment will be null and void. If the Commitment becomes null and void and the Commitment Fee has already been paid, the non-refundable portion of the Commitment becomes null and void and the Commitment Fee has damages and the balance of the Commitment Fee, if any, returned to the Borrower(s). If the Commitment becomes null and void and the Commitment Fee has not already been paid, the non-refundable portion of the Commitment Fee set out above will be due by the Borrower(s) to Money Gate Corp. as liquidated damages.

Accepted this 6TH **day of** November **, 2017**

X

World Finance Corporation
A.S.O Troy Wilson

X

Money Gate Mortgage Investment Corporation
A.S.O Payam Katebian

Initials: T.W

146

MONEY
Corporation

Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

Schedule "A"

Mortgage No.: **2017-19**

Assignor(s)/ **World Finance Corporation**
A.S.O Troy Wilson

PLEASE NOTE: Funds for this Loan will not be advanced by the lender until all of the following conditions are met and maintained until funding. Money Gate Corp. may terminate the Commitment or decline to advance all or any part of the Mortgage until these conditions are satisfied to the lender's satisfaction.

This Commitment is subject to:
Original Appraisal of the subject property satisfactory to the lender or a **Letter of Transmittal** from the appraiser addressed to the lender reflecting a minimum value of **$8,350,000.00** based on a 365 day maximum marketing time. Also required is days on market (D.O.M) for all comparables.

Executed Mortgage Loan Application for ALL Mortgagor(s) and Guarantor(s).

1st Mortgage statement for the subject property showing a balance of no more than **$2,175,000.00**

2nd Mortgage statement for the subject property showing a balance of no more than **$900,000.00**

Solicitor to assign a portion **(31.10%)** of instrument number **AT3001170** in favour of World Finance Corporation to Money Gate Mortgage Investment Corporation. (Solicitor)

World Finance Group to provide signed syndication agreement with Money Gate Mortgage Investment Corporation as the Senior Lender. Senior Lender will have priority over any and all other mortgagees in the 3rd mortgage syndication.

The Junior Lender (World Finance Corporation) will be responsible for all mortgage payments and fees to the Senior Lender (Money Gate Mortgage Investment Corporation) as will be stipulated in the syndication agreement.

Solicitor to provide a clear Execution Certificate with the Final Report with a Marital Status declaration. (Solicitor)
It is a condition of this commitment that the solicitor confirms that (i) they have reviewed and verified the identity of the assignor(s) and any spouse consenting to the mortgage by means of 2 pieces of identification (one MUST be Primary Identification) acceptable to the mortgagee (ii) the identification appears to be genuine (iii) the identification belongs to the assignor(s) and consenting spouse and (iv) copies of the identification showing a true likeness of the originals will be submitted to the mortgagee. The lenders accepted forms of identification will be communicated to the solicitor upon instruction. (Solicitor)

If the loan is not repaid on maturity, a 3-month interest bonus will be paid to the Lender pursuant to Section 17 of the Mortgage Act.

Payment in Full on Sale
The outstanding amount of the mortgage loan may be prepaid only at the closing of a bona fide open market sale of the property and the payment of the Prepayment Charge as set out below

Initials: T.W PK

MONEY

Corporation

Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

Schedule "B"

Accrued Interest:	Accrued interest calculated from the date that this mortgage is advanced to the Interest Adjustment Date will be deducted from the gross funds advanced. The Interest Adjustment Date is set one month prior to the First Payment Date.
Assignment of Commitment:	Neither this Commitment nor the proceeds of the Charge/Mortgage loan are assignable by the Borrower(s) without express written consent.
Credit Rating:	Receipt of an updated credit rating acceptable to the lender. The credit rating must be the same or better than the rating obtained with this Commitment was given. In the event the credit rating is less favourable, the terms and conditions of this Commitment will be subject to revision and the Loan may not be advanced.
Legal & Other Costs/Fees:	All legal, appraisal, title insurance and fire insurance premiums and other costs and fees incurred in connection with this Loan (including those identified on the first page of this Commitment) are payable by the assignor(s) whether or not this Loan ultimately is completed and the funds advanced.
Regulations:	Confirmation, in form and substance satisfactory to the lender that the property complies with all municipal, provincial and federal statues, regulations and requirements. This requirement is waived by delivery of the title insurance policy with applicable schedules covering such compliances matters.
Prepayment Restrictions:	It is intended and agreed that the Charge/Mortgage loan may not be prepaid prior to the maturity date unless provided herein as a privilege. See All Loans Prepayment.
Purchaser Approval:	The may require that the Loan be immediately repaid with the applicable prepayment indemnity if the Borrower(s) sell(s), transfer(s) or otherwise dispose(s) of the property or any interest therein to a purchaser not approved by the lender.
Standard Charge Terms:	The Charge/Mortgage is deemed to contain all clauses included in registered Standard Charge Terms No. 200433 (Ontario) and Schedule "C" Schedule of Fees. Each Borrower(s) and Guarantor(s) acknowledge receipt of a copy of the applicable Standard Charge Terms.
Rent and Management:	PROVIDED also and it is hereby further agreed by and between the Borrower and the Lender(s) that should default be made by the Borrower in the observance or performance of any of the covenants, provisos, agreements or conditions contained in this charge, the charge reserves the rights to enter into the said lands and premises and to receive the rents and profits and to be entitled to receive in addition to all other fees, charges and disbursements to which the charge is entitled. A management fee so as to reimburse the charge for reasonable item and trouble in the management of the said lands and premises. It is being understood and agreed that in the circumstances a management fee equal to 5% of the gross receipt received by the charge in the

MONEY Corporation

Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

	management of the said lands and the premises is just an equitable fee having regard to all of the circumstances.
Schedule of Fees:	A schedule of our current servicing administration fees that will apply to the mortgage is provided in Schedule "C".
Renewal Options:	Available subject to approval of the lender if all mortgages are in good standing based on new terms and condition.

Money Gate Corp. reserves the right to charge reasonable fees for other administrative services and to amend its fees from time to time.

MONEY
Corporation

Money Gate Corp. – License # 12290 – 25 Mallard Road, Toronto Ont. M3B 1S4 – T: 416 548 5959 – F: 416 913 0087

Schedule "C"

Our current schedule of administration and servicing fees includes the following charges:

$250.00 – Missed Payment Fee: Payable for each missed or late installment and for processing each NSF cheque or other returned payment. Plus $50 for each additional day until the cheque in the sufficient amount is provided and cleared.

$250.00 – Insurance: Payable for dealing with each cancellation, premium payment or other non-compliance with insurance requirements.

$1,500.00 – Default Proceedings: Payable for each act or proceeding instituted.

$175.00 – Mortgage Statements: For preparation of each statement.

$300.00 – Purchaser Approval: For processing each application for assumption, whether or not approved or completed.

$500.00 - Possession: For attending to take possession following default.

$300.00 – Demand Letter: For each demand letter in connection with any event of default under the Mortgage.

$150.00 – Notice under the Bankruptcy and Insolvency Act.

$150.00 – Notice under the Farm Debt Mediation Act.

$100.00 – Maintenance: For administration maintenance and security of the property in our possession, per day.

$350.00 – Discharge Statement: For discharge on one property. $175 for each additional property.

$100.00 – Tax and CAM Default Fee: For failure by the Borrower to provide satisfactory confirmation of tax payments and or CAM fees.

$200.00 – Annual Tax Account Administration Fee: For administering and servicing the tax account.

$200.00 – Annual CAM Account Administration Fee: For administering and servicing the condo account.

$200.00 – For any inspection of the said property as a result of enforcement for security.

$300.00 – Servicing Fee: For any payment the Chargee is called to make in order to protect its security

Initials: T.W PN

SYNDICATION LOAN AGREEMENT

made the 3rd day of November, 2017

B E T W E E N:

World Finance Corporation a corporation incorporated under the laws of the Province of Ontario.

(hereby known as the "**Junior Lender**")

- and –

Money Gate Mortgage Investment Corporation, a corporation incorporated under the laws of the Province of Ontario

(hereby known as the " **Senior Lender**")

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

T.W PK

INTERLENDING AGREEMENT BETWEEN LENDERS

Senior Lender
Name: Money Gate Mortgage Investment Corporation
Registered address for service: 25 Mallard Road, Toronto ON M3B 1S4

&

Junior Lender
Name: World Finance Corporation
Registered Address for service: 60 Highhill Drive – Suite B1, Toronto ON M1T 1N7

Terms and Conditions

The Junior Lender (World Finance Corporation) will lead and administer the syndication group in the administration and execution of the third mortgage legally known as PT S PT LT 31 CON A (Scarborough) CITY OF TORONTO, and any, and all collateral attached to the instrument AT3001170, being an assignment from World Finance Corporation to Money Gate Mortgage Investment Corporation on this 3rd day of November, 2017. Both the Junior (World Finance Corporation) and Senior Lender (Money Gate Mortgage Investment Corporation) jointly form a syndication to fulfill their requirements as third mortgagees. This agreement states that the Junior Lender (World Finance Corporation) will maintain the senior Lenders' positions and keep them in good standing with interest payments made when due throughout the term of the mortgage agreement. The Junior Lender's (World Finance Corporation) investment totals 76.46% of the final mortgage amount of $5,948,035. Senior Lender (Money Gate Mortgage Investment Corporation) investment totals 31.10% of the final mortgage amount of $5,948,035.

(a) The junior lender (World Finance Corporation) will maintain the interest payments to the Senior Lender at their entitled interest percentage of 13%.

(c) At no time will the senior lender administer or enforce the mortgage unless the Junior Lender (World Finance Corporation) is in breach of its contractual agreement with the senior lender to maintain their owed payment percentage.

(d) Should the Junior Lender (World Finance Corporation) breach their duties under the Mortgage contract with regards to the Senior Lender, the Senior Lender may hold the right to use the Junior Lender's investment as collateral security against any current and future interest payments for the interest differential as per the charge.

TW PK.

- Senior Lender's percentage of interest on the mortgage is <u>13%</u> per annum based on an investment of $<u>1,850,000.00</u>

November 7, 2017

Junior Lender:
World Finance Corporation

Date:

Witness:

Nov. 7 2017

Senior Lender:
Money Gate Mortgage Investment Corporation

Date:

Witness:

TRUST LEDGER STATEMENT

Re: Assignment of 30.1% interest in third mortgage on
4Birchmount Road, City of Toronto

Received from you (first draw)		$400,000.00
HOLDBACK re lending fee	$40,000.00	
PAID Frederick A. Yack fees and disbursements re Assignment of third mortage on 4 Birchmount Road, City of Toronto	2,953.68	
BALANCE TO ROBERT CARUSO, IN TRUST	**357,046.32**	
	$400,000.00	$400,000.00

E. & O. E.
*cf
HST REGISTRATION NO. R121423529

PROMISSORY NOTE

THIS PROMISSORY NOTE (the 'Note') dated this 20th day of November, 2017.

World Finance Corporation

(the 'assignor')

- and -

Money Gate Mortgage Investment Corporation

(the 'assignee')

1. SCHEDULE OF DRAWS

The installment schedule from assignee to assignor is as follows: 4 equal consecutive installments of $400,000 principal with a final installment of $250,000 for a total assignment sum of $1,850,000.

The first installment will be released November 29th, 2017 with the remaining installments to follow over the following seven (7) business days, or as indicated by lender.

2. SECURITY

The Assignor agrees to provide the Assignee with the following property ('the Security') as security:

30.1% of a 3rd Mortgage Instrument - AT3001170
Property Address: 4 Birchmount Road, Toronto ON M1N 3J4

World Finance Corporation
A.S.O Troy Wilson

x
Money Gate Mortgage
Investment Corporation
A.S.O Payam Katebian

TO:- Frederick A. Yack, Esq.
Barrister and Solicitor

AUTHORIZATION

RE:- MONEY GATE MORTGAGE INVESTMENT CORPORATION (Assignee) ASSIGNMENT of mortgage from WORLD FINANCE CORPORATION (Assignor) (as to a 30.1% interest in a third mortgage) registered on 4 Birchmount Road, City of Toronto

The undersigned acknowledges having been fully informed of the following issues and items and the consequences thereof and notwithstanding such knowledge of same hereby instructs you to complete the above noted Assignment of Third Mortgage transaction and the Assignee hereby waives the following items notwithstanding the advice of my solicitor Frederick A. Yack to the contrary:

1. you are not to obtain a first mortgage statement;
2. you are not to obtain a second mortgage statement;
3. no formal appraisal of the property has been done and same has been waived by the Assignee;
4 no legal advice is required with respect to the Syndication Loan Agreement executed on November 7, 2017 and made between World Finance Corporation and Money Gate Mortgage Investment Corporation -- the Assignee has agreed to accept this Agreement notwithstanding your dissatisfaction with the terms of the said Agreement;
5. you are relying on the clauses contained in the Mortgage Commitment notwithstanding that they are not included in the original mortgage, nor will they be included in the Assignment of Mortgage in favour of Money Gate Mortgage Investment Corporation and the Assignee has accepted and agreed with the principal of World Finance Corporation that the Assignor will abide by the terms and conditions set out in the Commitment Agreement and the Assignee waives any written documentation from World Finance Corporation other than the commitment November 2, 2017;
6. title insurance is not available;
7. no default provisions as set out in Schedule "C" of the Mortgage Commitment will be inserted in the Assignment of Mortgage --and therefore the Assignee is relying only on the Mortgage Commitment;
8. no default provision as set out in Schedule "C" of the Mortgage Commitment is included in the Assignment of Mortgage;
9. all items contained in Schedule "B" of Mortgage Commitment are waived;
10. The Assignee acknowledges and accepts that title is subject to a Caution registered under The Bankruptcy and Insolvency Act on the 7th day of July, 2010 as Instrument no. AT2439382 and is unable to be removed without a Court

Application or obtaining a consent of the Trustee in Bankruptcy;

11. Notwithstanding the mortgage commitment the Assignee is purchasing a 30.1% interest in the third mortgage from World Finance Corporation.

I have formed my own independent decision to complete the transaction and am not relying on you to provide any business, tax or investment advice in regard to this transaction.

Dated this 30th day of November, 2017.

MONEY GATE MORTGAGE INVESTMENT CORPORATION
Per:

PAYAM KATEBIAN A. S. O.
I have authority to bind the Corporation

DIRECTION

TO: Money Gate Mortgage Investment Corporation

AND TO: Frederick A. Yack, Barrister and Solicitor

RE: World Finance Corporation transfer of third mortgage to Money Gate Mortgage Investment Corporation
4 Birchmount Road, Toronto

This is to direct you and shall constitute your good and sufficient and irrevocable authority to make your cheque for the above mortgage advance payable in favour of my solicitor:

CARUSO LAW, IN TRUST

or as he may otherwise direct.

DATED at Toronto, this 29 day of November, 2017.

World Finance Corporation
Troy Wilson, ASO

This is Exhibit "T" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

LRO # 80 **Transfer Of Charge** **Registered as AT4749651** on 2017 12 01 at 14 56

The applicant(s) hereby applies to the Land Registrar yyyy mm dd Page 1 of 1

Properties

PIN	06511 - 0222 LT
Description	PT S PT LT 31 CON A SCARBOROUGH AS IN TB239320; TORONTO , CITY OF TORONTO
Address	4 BIRCHMOUNT RD SCARBOROUGH

Source Instruments

Registration No.	*Date*	*Type of Instrument*
AT3001170	2012 04 27	Transfer Of Charge

Transferor(s)

This transfer of charge affects all lands that the charge is against which are outstanding

Name	WORLD FINANCE CORPORATION
Address for Service	60 Highhill Drive - Suite B1, Toronto, Ontario, M1T 1N7

I, Troy Wilson, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Transferee(s)

Transferee(s)		*Capacity*	*Share*
Name	MONEY GATE MORTGAGE INVESTMENT CORPORATION		30.1%
Address for Service	25 Mallard Road, Toronto, Ontario, M3B 1S4		

Statements

The chargee transfers the selected charge for $1,850,000.00

This document relates to registration number(s)AT1917893

The registration of this document is not prohibited by registration AT2439382 registered on 2010/07/07.

Signed By

Roberto Michele Caruso	1920 Yonge Street, Suite 200 Toronto M4S 3E2	acting for Transferor(s)	Signed	2017 12 01

Tel 416-727-0227

Fax 416-572-7501

I have the authority to sign and register the document on behalf of the Transferor(s).

Frederick Allen Yack	608-1120 Finch Av. West North York M3J 3H7	acting for Transferee(s)	Signed	2017 12 01

Tel 4166635656

Fax 4166635887

I have the authority to sign and register the document on behalf of the Transferee(s)

Submitted By

FREDRICK A. YACK	608-1120 Finch Av. West North York M3J 3H7	2017 12 01

Tel 4166635656

Fax 4166635887

Fees/Taxes/Payment

Statutory Registration Fee	$63 65
Total Paid	$63 65

File Number

Transferor Client File Number : 17-00366

This is Exhibit "U" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

No.	Date	Bank Records	MGMIC	Yack in Trust	Caruso in Trust	CBC Inc.	239 Inc.	Ben Katebian	Canada Capital Corporation	Notes
1	28-Nov-17	Payment of $400,000 from MGMIC to Yack	-$400,000 00	$400,000 00						Lender portfolio statement indicates that $400,000 was advanced on the Birchmount mortgage on Nov 28, 2017
2	01-Dec-17	Payment of $357,046 from Yack to Caruso		-$357,046 32	$357,046.32					Yack deducted $40,000 as a holdback on a lending fee and $2,953.68 to pay Yack's fees and disbursements
3	01-Dec-17	Payment of $354,932 from Caruso to CBC Inc			-$354,932 48	$354,932 48				
4	05-Dec-17	Payment of $353,982 from CBC Inc to 239 Inc				-$353,982 50	$353,982 50			
5	05-Dec-17	Payment of $354,000 from 239 Inc to Ben					-$354,000 00	$354,000 00		
6	05-Dec-17	Payment of $400,000 from MGMIC to Yack	-$400,000.00	$400,000 00						Lender portfolio statement indicates that $400,000 was advanced on the Birchmount mortgage on Dec 5, 2017
7	05-Dec-17	Payment of $400,000 from Yack to Caruso		-$400,000 00	$400,000 00					
8	06-Dec-17	Payment of $399,920 from Caruso to CBC Inc			-$399,920 00	$399,920.00				
9	06-Dec-17	Payment of $400,000 from CBC Inc to 239 Inc				-$400,000.00	$400,000 00			
10	06-Dec-17	Payment of $400,000 from 239 Inc to Ben					-$400,000.00	$400,000 00		
11	06-Dec-17	Payment of $400,000 from MGMIC to Yack	-$400,000.00	$400,000.00						Lender portfolio statement indicates that $400,000 was advanced on the Birchmount mortgage on Dec 6, 2017
12	07-Dec-17	Payment of $400,000 from Yack to Caruso		-$400,000 00	$400,000 00					
13	08-Dec-17	Payment of $399,920 from Caruso to CBC Inc			-$399,920 00	$399,920.00				
14	08-Dec-17	Payment of $400,000 from CBC Inc to 239 Inc				-$400,000.00	$400,000.00			
15	08-Dec-17	Payment of $361,000 from 239 Inc to Ben					-$361,000.00	$361,000 00		
16	11-Dec-17	Payment of $400,000 from MGMIC to Yack	-$400,000 00	$400,000.00						Lender portfolio statement indicates that $400,000 was advanced on the Birchmount mortgage on Dec 11, 2017
17	12-Dec-17	Payment of $400,000 from Yack to Caruso		-$400,000 00	$400,000 00					
18	12-Dec-17	Payment of $399,920 from Caruso to CBC Inc			-$399,920.00	$399,920 00				
19	13-Dec-17	Payment of $160,000 from CBC Inc. to Canada Capital Corporation				-$160,000 00			$160,000 00	
20	15-Dec-17	Payment of $240,000 from CBC Inc to Canada Capital Corporation				-$240,000 00			$240,000 00	
			-$1,600,000 00	$42,953 68	$2,353 84	$709.98	$38,982 50	$1,115,000.00	$400,000.00	

This is Exhibit "V" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

TI

10358 (1215)

THIS DOCUMENT IS PRINTED ON WATERMARKED PAPER. SEE BACK FOR INSTRUCTIONS.

The Toronto-Dominion Bank

82440278

1470 DON MILLS ROAD
DON MILLS, ON M3B 2X9

DATE 2017-11-28
YYYYMMDD

Transit-Serial No. 1284-82440278

Pay to the Order of FREDERICK A YACK IN TRUST

$ ****400,000.00

FOUR HUNDRED THOUSAND00/100 Canadian Dollars

Authorized signature required for amounts over CAD $5,000.00

Re

The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2

Authorized Officer

Wa561
Number

Countersigned

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈82440278⑈ ⑆09612⑉004⑆ ⑈3808⑈

336

T2

T 020646

FREDERICK A YACK, B.A., LL.B.
BARRISTER, SOLICITOR, NOTARY
1120 FINCH AVE. W., SUITE 608
TORONTO, ONTARIO M3J 3H7

ROYAL BANK OF CANADA
HWY 7 & HWY 400 BRANCH
3300 HIGHWAY 7, SUITE 100
CONCORD, ONTARIO L4K 4M3

Three Hundred Fifty Seven Thousand Forty Six *********************** 32/100

Shield

Dec/ 1/2017 $357,046.32

PAY TO THE ORDER OF Caruso Law, in trust

CERTIFIED
DEC 01 2017
ROYAL BANK OF CANADA
3300 HIGHWAY 7 WEST BRANCH
CONCORD, ONTARIO
PER

FREDERICK A. YACK, B.A., LL.B.
TRUST ACCOUNT

Assignment of Mortgage 4 Birchmount Rd. Toronto file no.1 7-0365

7003136

⑈020646⑈ ⑆05532⑉003⑆ 991⑉633⑉9⑈ 75

SECURITY FEATURES INCLUDED - SEE REVERSE
CONTIENT DES CARACTÉRISTIQUES DE SÉCURITÉ - VOIR À L'ENDOS

T2

T2

169

TRUST LEDGER STATEMENT

Re: Assignment of 30.1% interest in third mortgage on 4Birchmount Road, City of Toronto

Received from you (first draw)		$400,000.00
HOLDBACK re lending fee	$40,000.00	
PAID Frederick A. Yack fees and disbursements re Assignment of third mortage on 4 Birchmount Road, City of Toronto	2,953.68	
BALANCE TO ROBERT CARUSO, IN TRUST	**357,046.32**	
	$400,000.00	$400,000.00

E. & O. E.
*cf
HST REGISTRATION NO. R121423529

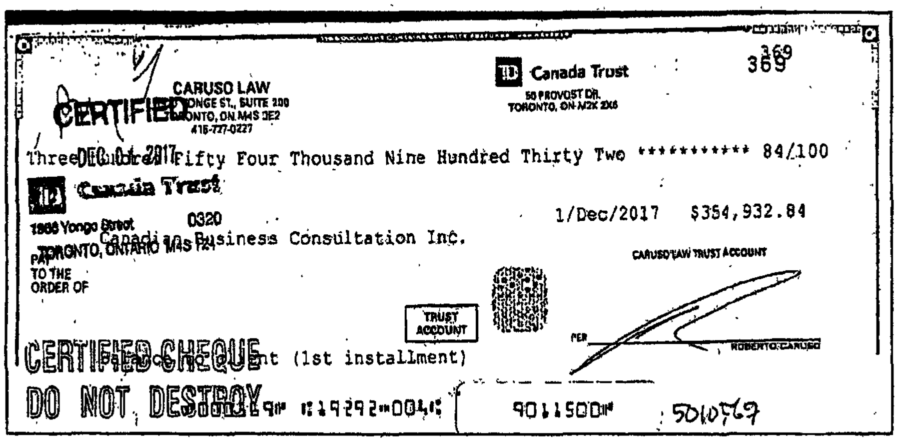
T3

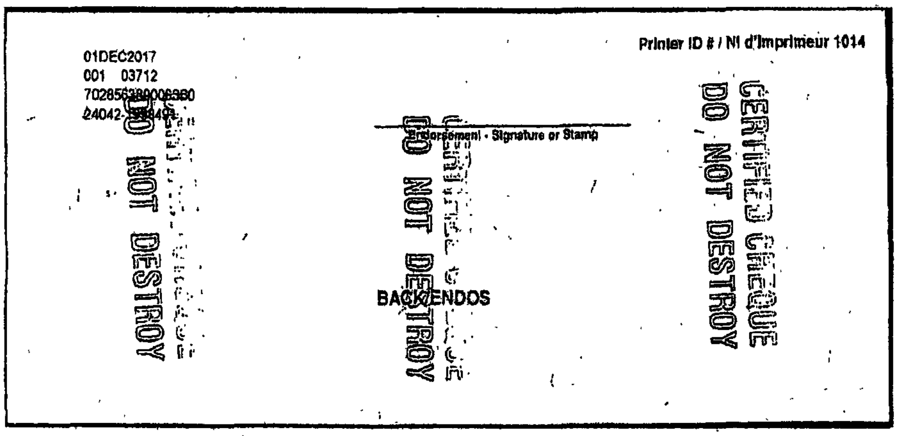
22/10/2018

Cheque Item Image

User: Mei Chao

Request #:	-1	Request Desc:	
Transit - FI #:	19292-004	Account #:	9011500
Sequence #:	1317114120	Amount:	$354,932.84 CAD
Date:	12/01/2017		


CARUSO LAW
ONGE ST., SUITE 200
ONTO, ON M4S 3E2
416-777-0227
CERTIFIED
DEC 01 2017
TD Canada Trust
50 PROVOST DR.
TORONTO, ON M2K 2X6
369
Three Hundred Fifty Four Thousand Nine Hundred Thirty Two *********** 84/100
TD Canada Trust
1906 Yonge Street
TORONTO, ONTARIO M4S 1Y1
0320
1/Dec/2017 $354,932.84
PAY TO THE ORDER OF Canadian Business Consultation Inc.
CARUSO LAW TRUST ACCOUNT
TRUST ACCOUNT
PER
ROBERTO CARUSO
CERTIFIED CHEQUE
...nt (1st installment)
DO NOT DESTROY
⑆19292⑉004⑆ 9011500⑈
5010569


01DEC2017
001 03712
70285638900086860
24042-
Printer ID # / Nº d'imprimeur 1014
Endorsement - Signature or Stamp
DO NOT DESTROY
BACKENDOS
CERTIFIED CHEQUE
DO NOT DESTROY

- **BOFD**
  Account: 03712-001
  Date: 2017-12-01
  ISN: 1317114120
- **Direct Clearer**
  Transit: 00720-001
  Date: 2017-12-01
  ISN: 1317114120

Print Close

T4

BRANCH 1085

RP WPS3020
REPORT DATE 17/12/05

TORONTO DOMINION BANK
WIRE PAYMENTS SYSTEMS
INCOMING CREDIT ADVICE

DATE : 17/12/05

PAYMENT ID : 17120538953600

RECEIVED FROM : BOFMCAM2XXX

FOR CREDIT TO ACCOUNT NO. : 1085-5407632

ORIGINAL AMOUNT : 354,000.00 CAD
COMMISSION : 17.50
NET AMOUNT : 353,982.50

VALUE DATE : 17/12/05

ORDERING CUSTOMER :

/24041998491
CANADIAN BUSINESS CONSULTATION INC.
25 MALLARD RD
TORONTO
ON CA M3B1S4

BENEFICIARY CUSTOMER :

/10855407632
1399029ONTARIO INC
28 DALE PARK CRT THORNHILL ON CA
L3T2A2

PAYMENT DETAILS :

BEN KATEBIAN
ORIG AMT CAD 354000.00
SENDER CHARGES: CAD 0.00

T5

Canada Trust

Branch: 1085 BEAVER CREEK COMM
BKG CT
220 COMMERCE VALLEY DR W
U 100
MARKHAM, ON

Date: Dec 5, 2017, 01:44 PM
Ref #: 00075013/4 - ZAHL

From: 1085-54***32
Debit Memo Transfer
2399029 ONTA
354,000.00

To: 1085-63***25
Credit Transfer
KATEBIAN M
354,000.00

Banking can be this comfortable

T6

10358 (1215)

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The Toronto-Dominion Bank

83558619

220 COMMERCE VALLEY DRIVE WEST UNIT 100
MARKHAM, ON L3T 0A8

DATE 2017-12-05
YYYYMMDD

Transit-Serial No. 1085-83558619

Pay to the Order of FREDERICK A YACK, IN TRUST

$ ****400,000.00

FOUR HUNDRED THOUSAND00/100 Canadian Dollars

Authorized signature required for amounts over CAD $5,000.00

Re

The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2

Authorized Officer

Countersigned

B5020
Number

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈83558619⑈ ⑆09612⑉004⑆ ⑈3808⑈

342

T 020650

FREDERICK A YACK, B.A., LL.B.
BARRISTER, SOLICITOR, NOTARY
1120 FINCH AVE. W., SUITE 608
TORONTO, ONTARIO M3J 3H7

ROYAL BANK OF CANADA
HWY 7 & HWY 400 BRANCH
3300 HIGHWAY 7, SUITE 100
CONCORD, ONTARIO L4K 4M3

Four Hundred Thousand ** 00/100

CERTIFIED
DEC 0 5 2017
ROYAL BANK OF CANADA
3300 HIGHWAY 7 WEST BRANCH
CONCORD, ONTARIO

Dec/ 5/2017 $400,000.00

PAY TO THE ORDER OF

Caruso Law, in trust

FREDERICK A. YACK, B.A., LL.B.
TRUST ACCOUNT

100 3136

PER

Assignment of Mortgage 4 Birchmount Rd., Toronto file no.1 7-0365

⑈020650⑈ ⑆05532⑉003⑆ 991⑉633⑉9⑈ 75

T7

T8

Your branch address:
17 MARY WALK
ELLIOT LAKE, ONTARIO P5A1Z9

Business Banking

Your Branch
ELLIOT LAKE ONTARIO
Transit number: 2404

For questions about your statement call
(705) 848-2211

Direct Banking
1-877-262-5907
www.bmo.com

Your Plan
Business Builder 3 Plan

CANADIAN BUSINESS CONSULTATION INC
25 MALLARD RD
TORONTO ON M3B 1S4

Business Banking statement

For the period ending December 29, 2017

Summary of account

Account	Opening balance ($)	- Total amounts debited ($)	+ Total amounts credited ($)	= Closing balance ($) on Dec 29, 2017
Business Account # 2404 1998-491	-71.36	1,561,427.41	1,561,472.84	-25.93

Don't become a target this holiday season. Only shop on secure websites, keep tab of your purchases using your mobile banking app and download Trusteer's Rapport software onto your computer. For more security tips, visit **bmo.com/security.**

Transaction details

Business Account # 2404 1998-491

Account Type: CHQING
Business name:
CANADIAN BUSINESS CONSULTATION INC

Date	Description	Amounts debited from your account ($)	Amounts credited to your account ($)	Balance ($)
Dec 01	**Opening balance**			**-71.36**
Dec 01	Deposit at, BR. 0371		354,932.84	354,861.48
Dec 05	Outgoing Wire Payment, WIRE PYMT 2404 240466279	354,000.00		861.48
Dec 05	Outgoing Wire Handling Fee	125.00		736.48
Dec 05	Outgoing Wire Comm. Fee	10.00		726.48
Dec 06	Incoming Wire Payment, CA, ROBERTO MICHELE CARUS		399,920.00	400,646.48
Dec 06	Canadian Draft, 3434 DRAFT 021558712	400,000.00		646.48
Dec 06	Draft Fee	7.50		638.98
Dec 06	Debit Card Purchase, CANADIAN TIRE #	75.70		563.28
Dec 08	Incoming Wire Payment, CA, ROBERTO MICHELE CARUS		399,920.00	400,483.28

continued

BMO Bank of Montreal
A member of BMO Financial Group

T8

4

CA171206036057000

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:23B:CRED

:32A:171206CAD399920,00

:50K:/1929 5010567

ROBERTO MICHELE CARUSO

1920 YONGE ST SUITE 200

TORONTO, ON, CA

:57D:BANK OF MONTREAL

17 MARY WALK

ELLIOT LAKE, ON, CA

:59:/240421998491

CANADIAN BUSINESS CONSULTATION INC.

2 TORONTO ST. UNIT 1410

BARRIE, ON, CA

:70:CLIENT PAYEMTN

:71A:SHA

-}{5:{CHK:1C15234116EB}}

T9

Cheque Item Image

User: Grace Skoczylas

Request #:	-1	**Request Desc:**	
Transit - FI #:	06952-001	**Account #:**	3434021558712
Sequence #:	140330843	**Amount:**	$400,000.00 CAD
Date:	12/06/2017		

BMO Bank of Montreal · Banque de Montréal

CANADIAN $ DRAFT / TRAITE EN DOLLARS CANADIENS

TIMES SQUARE BRANCH
550 HIGHWAY NO 7 EAST
RICHMOND HILL, ONTARIO,CANADA L4B 3Z4

155871

DATE 2017/12/06
YA MM DJ

CT1

Pay to the order of / Payez à l'ordre de 2399029 ONTARIO INC $ 400,000 00/xx

**40000000 /100 Canadian Dollars Canadiens

for Bank of Montreal/pour la Banque de Montréal

CANADIAN BUSINESS CONSULTATION INC.
Name of remitter / Nom de l'expéditeur

25 MALLARD RD. TORONTO
Address of remitter / Adresse de l'expéditeur

Signing Officer / Signataire

Signing Officer / Signataire

⑆06952⑈001⑆ 3434021558712⑈ 90

Endorsement - Signature or Stamp
Endossement - Signature ou timbre

20171206

[redacted]

0244091140 00000000108525407632

TDCT BRN 10852 TDR
20171206 ISN: 0140330843
CR 10852-5407632

BACK / ENDOS

Print Close

T9 & T10.

TD Canada Trust

Branch: 1085 BEAVER CREEK COMM
BKG CT
220 COMMERCE VALLEY DR W
U 100
MARKHAM, ON

Date: Dec 6, 2017, 05:05 PM
Ref #: 0007638626 - ZAHL

From: Cheque Total 400,000.00

To: 1085-54***32
Deposit
Cash: 0.00
Number of Items: 1
2399029 ONTA 400,000.00

From: 1085-54***32
Debit Memo Transfer
2399029 ONTA 400,000.00

To: 1085-63***25
Credit Transfer
KATEBIAN M 400,000.00

Banking can be this comfortable

T11

10358 (1215)

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The Toronto-Dominion Bank

83558647

220 COMMERCE VALLEY DRIVE WEST UNIT 100
MARKHAM, ON L3T 0A8

DATE 2017-12-06
YYYYMMDD

Transit-Serial No. 1085-83558647

Pay to the Order of FREDERICK A YACK, IN TRUST

$ ****400,000.00

FOUR HUNDRED THOUSAND00/100 Canadian Dollars

Authorized signature required for amounts over CAD $5,000.00

Re

The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2

Authorized Officer

M2388
Number

Countersigned

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈83558647⑈ ⑆09612⑉004⑆ ⑈3808⑈

11 Mary Gate
170365

T12

FREDERICK A. YACK, B.A., LL.B.
BARRISTER, SOLICITOR, NOTARY
2126 FINCH AVE. W., SUITE 608
TORONTO, ONTARIO M3J 3H7

ROYAL BANK OF CANADA
HWY 7 & HWY 400 BRANCH
3300 HIGHWAY 7, SUITE 100
CONCORD, ONTARIO L4K 4M3

T 020652

CERTIFIED
DEC 07 2017
ROYAL BANK OF CANADA
3200 HIGHWAY 7 WEST BRANCH
CONCORD ONTARIO

Four Hundred Thousand *** 00/100

Shield

Dec/ 7/2017 $400,000.00

PAY TO THE ORDER OF Caruso Law, in trust

FREDERICK A. YACK, B.A., LL.B.
TRUST ACCOUNT

100 8136

PER

Assignment of Mortgage 4 Birchmount Rd., Toronto file no 17-0365

⑈020652⑈ ⑆05532⑉003⑆ 991⑉633⑉9⑈ 75

T13

Your branch address:
17 MARY WALK
ELLIOT LAKE, ONTARIO P5A1Z9

Business Banking

Your Branch
ELLIOT LAKE ONTARIO
Transit number: 2404

For questions about your statement call
(705) 848-2211

Direct Banking
1-877-262-5907
www.bmo.com

Your Plan
Business Builder 3 Plan

CANADIAN BUSINESS CONSULTATION INC
25 MALLARD RD
TORONTO ON   M3B 1S4

Business Banking statement

For the period ending December 29, 2017

Summary of account

Account	Opening balance ($)	- Total amounts debited ($)	+ Total amounts credited ($)	= Closing balance ($) on Dec 29, 2017
Business Account # 2404 1998-491	-71.36	1,561,427.41	1,561,472.84	-25.93

Transaction details

Business Account # 2404 1998-491

Account Type: CHQING
Business name:
CANADIAN BUSINESS CONSULTATION INC

Date	Description	Amounts debited from your account ($)	Amounts credited to your account ($)	Balance ($)
Dec 01	**Opening balance**			**-71.36**
Dec 01	Deposit at, BR. 0371		354,932.84	354,861.48
Dec 05	Outgoing Wire Payment, WIRE PYMT 2404 240466279	354,000.00		861.48
Dec 05	Outgoing Wire Handling Fee	125.00		736.48
Dec 05	Outgoing Wire Comm. Fee	10.00		726.48
Dec 06	Incoming Wire Payment, CA, ROBERTO MICHELE CARUS		399,920.00	400,646.48
Dec 06	Canadian Draft, 3434 DRAFT 021558712	400,000.00		646.48
Dec 06	Draft Fee	7.50		638.98
Dec 06	Debit Card Purchase, CANADIAN TIRE #	75.70		563.28
Dec 08	Incoming Wire Payment, CA, ROBERTO MICHELE CARUS		399,920.00	400,483.28

continued

BMO Bank of Montreal
A member of BMO Financial Group

15130E (09/02)

OSC BOM0000041

TB

6

CA171208026299000

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:20:TO171207B4420800

:23B:CRED

:32A:171208CAD399920,00

:50K:/1929 5010567

ROBERTO MICHELE CARUSO

1920 YONGE ST SUITE 200

TORONTO, ON, CA

:57D:BANK OF MONTREAL

17 MARY WALK

ELLIOT LAKE, ON, CA

:59:/240421998491

CANADIAN BUSINESS CONSULTATION INC

2 TORONTO ST UNIT 1410

BARRIE, ON, CA

:70:FUNDS FOR CLIENT

:71A:SHA

-}{5:{CHK:49B2239CCA81}}

T14

Canada Trust

Branch: 0182 BARRIE MAPLEVIEW
60 MAPLEVIEW DR
BARRIE, ON

Date: Dec 8, 2017, 01:29 PM
Ref #: 00426623/11 - ZMIL

From: Cheque Total
400,000.00

To: 1085-54***32
Deposit
Cash: 0.00
Number of Items: 1
2399029 ONTA
400,000.00

Customer Signature

X

Banking can be this comfortable

T14.

Cheque Item Image

User: Grace Skoczylas

Request #:	-1	Request Desc:	
Transit - FI #:	06952-001	Account #:	2612021486925
Sequence #:	3143153357	Amount:	$400,000.00 CAD
Date:	12/08/2017		

BMO Bank of Montreal · Banque de Montréal

CANADIAN $ DRAFT / TRAITE EN DOLLARS CANADIENS

MAPLEVIEW AND BRYNE
44 MAPLEVIEW DRIVE W
BARRIE, ONTARIO, CANADA L4N 6L4

148692

DATE 2017 12 08
Y/A MM DD

CTI

Pay to the order of / Payez à l'ordre de 2399029 ONTARIO INC. $ 400,000.00

BANK OF MONTREAL CAD 400000.00 Canadian Dollars Canadiens
for Bank of Montreal/pour la Banque de Montréal

CANADIAN BUSINESS CONSULTATION INC.
Name of Remitter / Nom de l'expéditeur

Signing Officer / Signataire

Address of remitter / Adresse de l'expéditeur

Signing Officer / Signataire

⑈06952⑉001⑈ 2612021486925⑈ 90

Endorsement - Signature or Stamp
Endossement - Signature ou timbre

20171208
Milled2

[redacted]

0245068953 00000000108525407632

TDCT BRN 01822 TOR
20171208 ISN:3143153357
CR 10852-5407632

BACK / ENDOS

Print   Close

T15

Canada Trust

Branch: 1085 BEAVER CREEK COMM
BKG CT
220 COMMERCE VALLEY DR W
U 100
MARKHAM, ON

Date: Dec 8, 2017, 02:05 PM
Ref #: 00078151/7 - ZKAR

From: 1085-54***32
Debit Memo Transfer
2399029 ONTA
361,000.00

To: 1085-63***25
Credit Transfer
KATEBIAN M
361,000.00

Banking can be this comfortable

T16.

10358 (1215)

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The Toronto-Dominion Bank

83558693

220 COMMERCE VALLEY DRIVE WEST UNIT 100
MARKHAM, ON L3T 0A8

DATE 2017-12-11
YYYYMMDD

Transit-Serial No. 1085-83558693

Pay to the Order of FREDERICK A YACK, IN TRUST

$ ****400,000.00

***FOUR HUNDRED THOUSAND**00/100 Canadian Dollars

Authorized signature required for amounts over CAD $5,000.00

Re

The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2

Authorized Officer

Countersigned

M2388
Number

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈83558693⑈ ⑆09612⑉004⑆ ⑈3808⑈

355

T 020656

FREDERICK A YACK, B.A., LL.B.
BARRISTER, SOLICITOR, NOTARY
1120 FINCH AVE. W., SUITE 608
TORONTO, ONTARIO M3J 3H7

ROYAL BANK OF CANADA
HWY 7 & HWY 400 BRANCH
3300 HIGHWAY 7, SUITE 100
CONCORD, ONTARIO L4K 4M3

Four Hundred Thousand *** 00/100

Shield

CERTIFIED
DEC 12 2017
ROYAL BANK OF CANADA
3300 HIGHWAY 7 WEST BRANCH
CONCORD, ONTARIO

Dec/12/2017 $400,000.00

PAY TO THE ORDER OF Caruso Law, in trust

FREDERICK A. YACK, B.A., LL.B.
TRUST ACCOUNT

PER

Assignment of Mortgage 4 Birchmount Rd., Toronto file no.17-0365

1003136

⑈020656⑈ ⑆05532⑉003⑆ 991⑉633⑉9⑈ 75

SECURITY FEATURES INCLUDED - SEE REVERSE
CONTIENT DES CARACTÉRISTIQUES DE SÉCURITÉ - VOIR L'ENDOS

774

T18

Transaction details (continued)

Date	Description	Amounts debited from your account ($)	Amounts credited to your account ($)	Balance ($)
	Business Account # 2404 1998-491			**(continued)**
Dec 08	Canadian Draft, 2612 DRAFT 021486925	400,000.00		483.28
Dec 08	Draft Fee	7.50		475.78
Dec 08	Cheque, NO.203	4,520.00		-4,044.22
Dec 08	Cheque Returned NSF, NO. 203		4,520.00	475.78
Dec 08	Non Sufficient Funds Fee	48.00		427.78
Dec 12	Incoming Wire Payment, CA, ROBERTO MICHELE CARUS		399,920.00	400,347.78
Dec 13	Canadian Draft, 3434 DRAFT 021559604	160,000.00		240,347.78
Dec 13	Draft Fee	7.50		240,340.28
Dec 14	Debit Card Purchase, COSTCO GAS W252	130.00		240,210.28
Dec 14	Debit Card Purchase, COSTCO WHOLESAL	100.71		240,109.57
Dec 15	Canadian Draft, 3434 DRAFT 021560146	240,000.00		109.57
Dec 15	Draft Fee	7.50		102.07
Dec 19	Cheque, NO.205	2,260.00		-2,157.93
Dec 19	Cheque Returned NSF, NO. 205		2,260.00	102.07
Dec 19	Non Sufficient Funds Fee	48.00		54.07
Dec 29	Plan Fee	80.00		-25.93
Dec 29	**Closing totals**	**1,561,427.41**	**1,561,472.84**	

Number of items processed 19 6

Please check this statement and report any errors or omissions within 30 days of delivery.

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®' Registered trademark of Mastercard International Incorporated.

®" ADP is a registered trade-mark of ADP North America, Inc.
NOTE: ADP Services referred to above are provided by ADP. ADP is not a member of BMO Financial Group.

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Registration numbers
GST - R100390095 QST - 1000042494

A member of BMO Financial Group 5001816 (08/03)

T19.

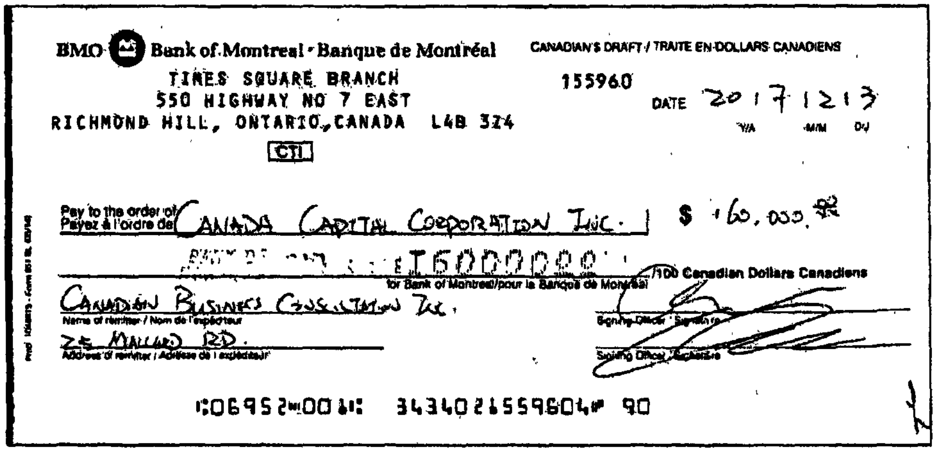
12/10/2018

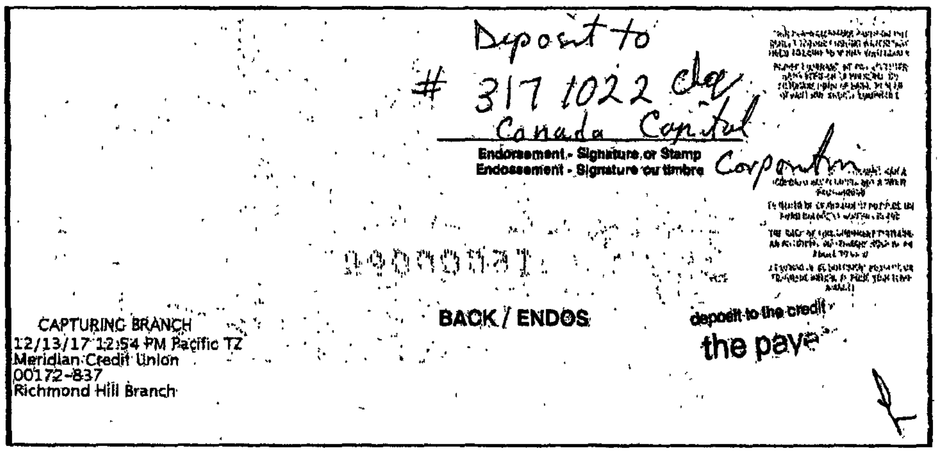
(8)

Cheque Item Image

User: Mei Chao

Request #:	-1	**Request Desc:**	
Transit - FI #:	06952-001	**Account #:**	3434021559604
Sequence #:	4314138251	**Amount:**	$160,000.00 CAD
Date:	12/13/2017		


BMO Bank of Montreal · Banque de Montréal
CANADIAN$ DRAFT / TRAITE EN DOLLARS CANADIENS
TIMES SQUARE BRANCH
550 HIGHWAY NO 7 EAST
RICHMOND HILL, ONTARIO, CANADA L4B 3Z4
CTI
155960
DATE 20171213
YA MM DJ
Pay to the order of / Payez à l'ordre de CANADA CAPITAL CORPORATION INC. $ 160,000.00
I60000000
/100 Canadian Dollars Canadiens
for Bank of Montreal/pour la Banque de Montréal
CANADIAN BUSINESS CONSULTATION INC.
Name of remitter / Nom de l'expéditeur
25 MALLARD RD.
Address of remitter / Adresse de l'expéditeur
Signing Officer / Signataire
Signing Officer / Signataire
⑆06952⑉001⑆ 3434021559604⑈ 90


Deposit to
317 1022 chq
Canada Capital
Corporation
Endorsement - Signature or Stamp
Endossement - Signature ou timbre
BACK / ENDOS
deposit to the credit
the paye
CAPTURING BRANCH
12/13/17 12:54 PM Pacific TZ
Meridian Credit Union
00172-837
Richmond Hill Branch

- **BOFD**
  Account: 00172-837
  Date: 2017-12-13
  ISN: 20116538

- **Direct Clearer**
  Transit: 00172-837
  Date: 2017-12-13
  ISN: 20116538

- **Direct Clearer**
  Transit: 12010-809
  Date: 2017-12-13
  ISN: 0020116538

- **Direct Clearer**
  Transit: 00720-001

T20

12/10/2018

(9)

Cheque Item Image

User: Mei Chao

Request #:	-1	**Request Desc:**	
Transit - FI #:	06952-001	**Account #:**	3434021560146
Sequence #:	4314410420	**Amount:**	$240,000.00 CAD
Date:	12/15/2017		

BMO Bank of Montreal · Banque de Montréal

CANADIAN $ DRAFT / TRAITE EN DOLLARS CANADIENS

TIMES SQUARE BRANCH
550 HIGHWAY NO 7 EAST
RICHMOND HILL, ONTARIO, CANADA L4B 3Z4

CTI

156014

DATE 2017/12/15
Y/A MM DJ

Pay to the order of / Payez à l'ordre de Canada Capital Corporation Inc. $ 240,000 00/XX

24000000 /100 Canadian Dollars Canadiens

for Bank of Montreal/pour la Banque de Montréal

CANADIAN BUSINESS CONSULTATION INC
Name of remitter / Nom de l'expéditeur

25 Mallard Rd, Toronto
Address of remitter / Adresse de l'expéditeur

Signing Officer / Signataire

Signing Officer / Signataire

⑆06952⑉001⑆ 3434021560146⑈ 90

H

Endorsement - Signature or Stamp
Endossement - Signature ou timbre

3171022 Ch

BACK / ENDOS

deposit to the credit of
the payee

CAPTURING BRANCH
12/15/17 2:35 PM Pacific TZ
Meridian Credit Union
00172-837
Richmond Hill Branch

- **BOFD**
  Account: 00172-837
  Date: 2017-12-15
  ISN: 20312730
- **Direct Clearer**
  Transit: 00172-837
  Date: 2017-12-15
  ISN: 20312730
- **Direct Clearer**
  Transit: 12010-809
  Date: 2017-12-15
  ISN: 0020312730
- **Direct Clearer**
  Transit: 00720-001

This is Exhibit "W" referred to in the Affidavit of Louisa Fiorini Sworn before me this 2nd day of November, 2018

....

A Commissioner, etc.

Court File No. CV-18-594590-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MR.	)	FRIDAY, THE 13 TH
	)	
JUSTICE McEWEN	)	DAY OF APRIL, 2018

IN THE MATTER OF SECTION 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

BETWEEN:

(Court Seal)

B&M HANDELMAN INVESTMENTS LIMITED, FLORDALE HOLDINGS LIMITED, M. HIMEL HOLDINGS INC., 1530468 ONTARIO LTD., MAXOREN INVESTMENTS, and SHEILACO INVESTMENTS INC.

Applicants

SUPERIOR COURT OF JUSTICE COUR SUPÉRIEURE DE JUSTICE

- and -

CHRISTINE DROTOS

Respondent

ORDER
(Appointing Receiver)

THIS APPLICATION brought by the Applicants 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 Rosen

Goldberg Inc. as receiver (the "Receiver") without security, over the lands and premises registered in the name of the Respondent, Christine Drotos (the "Debtor"), municipally known as 4 Birchmount Road, Toronto, Ontario, and having the legal description set out in Schedule "A" hereto (the "Real Property") and all proceeds therefrom, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Stephen Handelman sworn March 19, 2018 and the exhibits thereto and on hearing the submissions of counsel for the Applicants, no one else on the service list appearing although duly served as appears from the affidavit of service of Jennifer Samuels sworn April 10, 2018, filed, and on reading the consent of Rosen Goldberg Inc. to act as the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Rosen Goldberg Inc. is hereby appointed Receiver, without security, of the Real Property and all proceeds therefrom (together with the Real Property, 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 $50,000, provided that the aggregate consideration for all such transactions does not exceed $250,000; and

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

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

(l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all employees, agents, accountants, legal counsel, and all other persons acting on her 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.

5. 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.

6. 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

7. 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

8. 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

9. 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

10. 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

11. 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

12. 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

13. 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

14. 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

15. 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

16. 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

17. 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.

18. 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.

19. 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

20. 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 $500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and

is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. 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.

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

23. 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

24. 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: http://ww.rosengoldberg.com/admin/companyview.php?company_id=42.

25. 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

26. 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.

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

28. 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.

29. 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.

The Applicants' the

30. THIS COURT ORDERS that the ~~Plaintiff~~ shall have ~~its~~ costs of this ~~motion~~, up to and

the their the Applicants'

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 basis to be paid by

the Applicants' the

the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

31. 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.

McEwen

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

APR 13 2018

PER / PAR: NB

SCHEDULE "A"

PIN: 06511 – 0222 (LT)

Legal Description:

PT S PT LT 31 CON A Scarborough, As in TB239320; TORONTO; CITY OF TORONTO

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. ______________

AMOUNT $____________________

1. THIS IS TO CERTIFY that Rosen Goldberg Inc., the receiver (the "Receiver") of the Property of the Debtor, as such terms are defined in the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 13th day of April 2018 (the "Order") made in an application having Court file number CV-18-594590-00CL, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $__________, being part of the total principal sum of $__________ which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

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

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

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

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

DATED the _____ day of ______________, 20__.

Rosen Goldberg Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: ______________________________

Name:

Title:

B&M HANDELMAN INVESTMENTS LIMITED et al. -and- **CHRISTINE DROTOS**
Applicants Respondent

Court File No. CV-18-594590-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

ORDER
(Appointing Receiver)

DICKINSON WRIGHT LLP
Barristers & Solicitors
199 Bay Street
Suite 2200, P.O. Box 447
Commerce Court Postal Station
Toronto, Ontario, M5L 1G4

DAVID P. PREGER (36870L)
Email: dpreger@dickinsonwright.com
Tel: (416) 646-4606

LISA S. CORNE (27974M)
Email: lcorne@dickinsonwright.com
Tel: (416) 646-4608
Fax: (844) 670-6009

Lawyers for the Applicants

This is Exhibit "X" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

ARO

Court File No. CV-18-594590-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	FRIDAY, THE 1ST
	)	
JUSTICE DUNPHY	)	DAY OF JUNE, 2018

BETWEEN:

B&M HANDELMAN INVESTMENTS LIMITED, FLORDALE HOLDINGS LIMITED, M. HIMEL HOLDINGS INC., 1530468 ONTARIO LTD., MAXOREN INVESTMENTS, and SHEILACO INVESTMENTS INC.

Applicants

\- and -

CHRISTINE DROTOS

Respondent

IN THE MATTER OF SECTION 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

APPROVAL AND VESTING ORDER

THIS MOTION, made by Rosen Goldberg Inc., in its capacity as receiver and manager (in such capacity, the "**Receiver**") without security, of certain assets, undertakings and properties of the Respondent (the "**Debtor**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Fredric P. Kielburger (the "**Purchaser**") dated as of the 9th day of May, 2018 and appended to the First Report of the Receiver dated May 23, 2018 (the "**First Report**"), and vesting in the Purchaser the right, title and interest in and to the assets of the Debtor described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ARO

ON READING the First Report and the Supplement to the First Report dated May 31, 2018, the Affidavit of Troy Wilson, with appendices sworn May 30th & filed. and on hearing the submissions of counsel for (i) the Receiver, (ii) the Applicant, (iii) Pillar Capital Inc. 2399029 Ontario Inc., 2457674 Ontario Inc., Terry Wilson, Canada Investment Corporation and Canada Capital Corporation, (iv) Morteza (Ben) Katebian, and (v) counsel for the Purchaser, no

ARO

one appearing for any other person on the service list, although properly served as appears from the affidavit of Laura Micoli sworn May 24, 2018, filed:

~~**ON READING** the First Report and the Supplement to the First Report dated May 31, 2018, and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Laura Micoli sworn May 24, 2018, filed:~~

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule A hereto** (the "**Receiver's Certificate**"), all of the right, title and interest of the Debtor in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule B hereto** shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice McEwan dated April 13, 2018; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule C hereto** (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule D**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Titles Division for the Land Registry Office of Toronto (No. 66) at Toronto of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the

Purchaser as the owner of the subject real property identified in **Schedule B hereto** (the "**Real Property**") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in **Schedule C hereto.**

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

   (a) the pendency of these proceedings;

   (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

   (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. **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.

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

JUN - 5 2018

PER / PAR: NB

Schedule A - Form of Receiver's Certificate

Court File No. CV-18-594590-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

B&M HANDELMAN INVESTMENTS LIMITED, FLORDALE HOLDINGS LIMITED, M. HIMEL HOLDINGS INC., 1530468 ONTARIO LTD., MAXOREN INVESTMENTS, and SHEILACO INVESTMENTS INC.

Applicants

- and -

CHRISTINE DROTOS

Respondent

IN THE MATTER OF SECTION 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

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice McEwen of the Ontario Superior Court of Justice (the "**Court**") dated April 13, 2018, Rosen Goldberg Inc. was appointed receiver and manager (in such capacity, the "**Receiver**") without security, of certain assets, undertakings and properties of the Respondents(the "**Debtor**")

B. Pursuant to an Order of the Court dated June 1, 2018, the Court approved the agreement of purchase and sale made as of the 9th day of May, 2018 (the "**Sale Agreement**") between the Receiver and Fredric P. Kielburger (the "**Purchaser**") and provided for the vesting in the Purchaser of the right, title and interest of the Debtor in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 18, 19 and 20 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to Closing as set out in sections 18, 19 and 20 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at ______ on ____________, 2018.

ROSEN GOLDBERG INC., in its capacity as Court-Appointed Receiver and manager (in such capacity, the "Receiver") without security, of certain assets, undertakings and properties of Christine Drotos and not in its personal or corporate capacity

Per:

Name: Brahm Rosen

Title: President

SCHEDULE "B" - Purchased Assets

PT S PT LT 31 CON A SCARBOROUGH AS IN TB239320; TORONTO, CITY OF TORONTO

Being all of PIN 06511-0222 (LT)

Land Titles Division for the Land Registry Office of the City of Toronto (No. 66)

SCHEDULE "C"
Claims to be deleted and expunged from title to real property from PIN 06511-0222 (LT)

1. Instrument No. AT1266787 registered 2006/09/27 – Charge in Favour of Home Trust Company
2. Instrument No. AT1737434 registered 2008/03/20 – Transfer in Favour of Christine Drotos
3. Instrument No. AT1788468 registered 2008/05/27 – Charge in Favour of B & M Handelman Investments Limited, Flordale Holdings Limited, M. Himel Holdings Inc., 1530468 Ontario Ltd., Maxoren Investments Inc. and Sheilaco Investments Inc.
4. Instrument No. AT1917893 registered 2008/10/07 – Charge in Favour of DMS Inc.
5. Instrument No. AT1965090 registered 2008/12/02 – Transfer of Charge in Favour of 2176506 Ontario Inc.
6. Instrument No. AT2148973 registered 2009/08/14 – Charge in Favour of Lorraine Barlow and Gilbert Barlow
7. Instrument No. AT2439382 registered 2010/07/07 – Caution Lnd Bkrupt in Favour of Segal Partners Inc.
8. Instrument No. AT3001170 registered 2012/04/27 – Transfer of Charge in Favour of World Finance Corporation
9. Instrument No. AT3875540 registered 2015/05/05 – Transfer of Charge in Favour of Pillar Capital Corporation
10. Instrument No. AT410615 registered 2015/12/21 – Ct Tax Arrear Canc in Favour of Pillar Capital Corporation
11. Instrument No. AT4749651 registered 2017/12/01 – Transfer of Charge in Favour of Money Gate Mortgage Investment Corporation
12. Instrument No. AT4821129 registered 2018/03/14 – Caution-Land in Favour of B & M Handelman Investments Limited, Flordale Holdings Limited, M. Himel Holdings Inc., 1530468 Ontario Ltd., Maxoren Investments Inc. and Sheilaco Investments Inc.

SCHEDULE "D"
Permitted Encumbrances, Easements and Restrictive Covenants related to Real Property

1. The reservations, limitations, provisions and conditions expressed in the original grant from the Crown and all unregistered rights, interests and privileges in favour of the Crown under or pursuant to any applicable statute or regulation.

2. Any subdivision agreement, development agreement, servicing agreement, site plan agreement or any other agreement, document, regulation, subdivision control by-law or other instrument containing provisions relating to the Lands or the use, development, installation of services and utilities or the erection of buildings or other improvements in or on the Lands.

3. All easements, licenses, rights-of-way, watercourses and rights (and all reference plans with respect thereto), whether registered or unregistered, including without limitation those for access or for the installation and maintenance of public and private utilities and other services including without limitation, telephone lines) hydro-electric lines, gas mains, water mains, sewers and drainage and other services or for the maintenance, repair or replacement of any adjoining building or lands, including any cost sharing agreement relating thereto, or any right of re-entry reserved by a predecessor in title.

4. Any restrictive covenants and building restrictions affecting the Lands.

5. Any defects of title or encroachments by or onto the Lands, whether by gardens, fences, trees, buildings, foundations, or other structures or things, which may be revealed by any survey or reference plan of the Lands, whether now in existence or not.

6. Utility agreements, and other similar agreements with authorities or private or public utilities affecting the Lands.

7. Liens for taxes, local improvements, assessments or governmental charges or levies not at the time due or delinquent.

8. Undetermined, inchoate or statutory liens and charges (including, without limitation, the liens of public utilities, workers, suppliers of materials, contractors, subcontractors, architects and unpaid vendors of moveable property) incidental to any current operations of the Lands which have not been filed pursuant to any legal requirement or which relate to obligations not yet due or delinquent.

9. Zoning restrictions, restrictions on the use of the Lands or minor irregularities in title thereto.

10. The reservations, limitations, conditions and exceptions to title set out in the *Land Titles Act* (Ontario).

11. Instrument No. AT1462939 registered 2007/06/01 – Notice in Favour of City of Toronto

Court File No. CV-18-594590-00CL

B&M HANDELMAN INVESTMENTS LIMITED, ET AL. Applicants and **CHRISTINE DROTOS** Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

BLANEY MCMURTRY LLP
Barristers & Solicitors
2 Queen Street East, Suite 1500
Toronto ON M5C 3G5

ERIC GOLDEN (LSUC #38239M)
(416) 593-3927 (Tel)
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Email: ckopach@blaney.com

Lawyers for the Receiver, Rosen Goldberg Inc.

This is Exhibit "Y" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

Court File No. CV-18-594590-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

B&M HANDELMAN INVESTMENTS LIMITED, FLORDALE HOLDINGS LIMITED, M. HIMEL HOLDINGS INC., 1530468 ONTARIO LTD., MAXOREN INVESTMENTS, and SHEILACO INVESTMENTS INC.

Applicants

- and -

CHRISTINE DROTOS

Defendant

IN THE MATTER of section 243(1) of the *Bankruptcy And Insolvency Act*, R.S.C. 1985, as amended, and section 101 of the *Courts Of Justice Act*, R.S.O. 1990, C. C.43, as amended

AFFIDAVIT OF PAYAM KATEBIAN
(AFFIRMED AUGUST 8, 2018)

I, PAYAM KATEBIAN, of the City of Toronto, AFFIRM:

1. I am a director of Money Gate Mortgage Investment Corporation (**"MGMIC"**)[1] and as such have knowledge of the matters deposed to hereinbelow except for those matters for which I rely upon information and believe, in which case I identify the source of my information and hereby confirm that I verily believe it to be true.

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[1] Attached as **Exhibit "A"** is a copy of the Corporation Profile Report for Money Gate Mortgage Investment Corporation dated May 24, 2018.

2. On April 27, 2012, World Finance Corporation (**"WFC"**), took an assignment of a third mortgage (the **"Third Mortgage"**) on the property legally described as PT S PT LT 31 CON A SCARBOROUGH AS IN TB239320; TORONTO, CITY OF TORONTO, PIN 06511-0222(LT) and municipally located at 4 Birchmount Road, in the City of Toronto (the **"Property"**), from 2176506 Ontario Inc., which assignment was registered against title to the Property as Instrument No. AT3001170.[2]

3. WFC is controlled by Ara Missaghi (**"Missaghi"**), his wife, Laila Alizadeh (**"Alizadeh"**), and their accomplices, Troy Wilson (**"Wilson"**) and Wilson's sister, Terry Wilson. Missaghi and Alizadeh have criminal charges pending for, amongst other things, fraud, money laundering and knowing receipt of the proceeds of crime.[3] It is a condition of both Missaghi's and Alizadeh's bail that neither of them communicate directly or indirectly with Wilson. I verily believe that Missaghi, Alizadeh, Wilson and Wilson's sister, Terry, also control Pillar Capital Corporation (**"Pillar"**).

4. In or around October 2017, I entered into discussions with WFC's representative, Missaghi, about entering into a syndication agreement whereby MGMIC would purchase an interest in the Third Mortgage. In the course of these discussions, Missaghi represented to me that WFC was making monthly payments of $25,882.00, which payments were to pay taxes on the Property and to keep the first and second mortgages on the Property current.

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[2] Attached as **Exhibit "B"** is a copy of the Transfer of Charge registered as AT3001170 on PIN 06511-0222(LT) on April 27, 2012.

[3] Attached as **Exhibit "C"** is a copy of Missaghi's and Alizadeh's court file in relation to their criminal proceedings in the Ontario Court of Justice.

5. On October 31, 2017, Missaghi, provided me with a mortgage statement for the Third Mortgage, which indicated that, as at November 1, 2017, the amount owing under the Third Mortgage was $5,948,035.00 (the **"Third Mortgage Statement"**).[4]

6. In response to the email from Missaghi dated October 31, 2018, my father, Morteza Katebian (also known as Ben Katebian) requested current mortgage statements for the first and second mortgages on the Property.[5]

7. Contemporaneous to receiving the mortgage statement prepared by WFC, I was advised by Missaghi, and verily believed, that the monthly payments, in the amount of $25,882.00, were being used to pay property taxes on the Property and to keep the first and second mortgages on the Property current. I note that paragraphs 12 and 13 of the Affidavit of Stephen Handelman sworn March 19, 2018, which is filed in the Application Record for the within proceeding, deposes—on information and advice from Gary Grunier—that Missaghi made substantially similar representations to Gary Grunier that WFC had been servicing the first mortgage on the Property.

8. On November 2, 2017, WFC's representative, Missaghi, provided me with a mortgage statement for the second mortgage on the Property, which indicated that the second mortgage was for the principal amount of $850,000, with monthly payments of

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[4] Attached as **Exhibit "D"** is a copy of the email from Ara Missaghi to Payam Katebian dated October 31, 2017, with the Mortgage Statement from World Finance Corporation, dated November 1, 2017, and the Certificate of Incorporation for World Finance Corporation attached to said email.

[5] Attached as **Exhibit "E"** is a copy of the email from Ben Katebian to Ara Missaghi dated October 31, 2017.

interest only, calculated at the rate of 12 percent per year, and showing that the only amounts owing on the second mortgage, as at November 1, 2018, was the principal amount of the second mortgage plus a mortgage statement fee of $250.00 (the **"Second Mortgage Statement"**).[6]

9. I have since been advised by the lawyer for applicants in the within proceeding, David Preger, and verily believe that the Second Mortgage Statement was neither prepared for nor executed by his clients or by any authorized representative of his clients, which is confirmed in paragraph 43 of the Handleman Affidavit. Accordingly, I verily believe that the Second Mortgage Statement is another instance of Missaghi uttering a forged document.

10. On November 3, 2017, MGMIC, relying on the representations of Missaghi, agreed to enter into a syndication loan agreement with WFC whereby MGMIC, as senior lender, would purchase a 31.1% interest in the Third Mortgage, then valued at $5,948,035, and WFC, as junior lender, agreed to, amongst other things, maintain MGMIC's position as senior lender, and keep MGMIC in good standing with interest payments, at the rate of 13 percent per annum, made when due (the **"Syndication Agreement"**).[7]

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[6] Attached as **Exhibit "F"** is a copy of the email from Ara Misaghi to Payam Katebian dated November 2, 2017, along with the mortgage statement.

[7] Attached as **Exhibit "G"** is a copy of the Syndication Loan Agreement made between Money Gate Mortgage Investment Corporation and World Finance Corporation dated November 3, 2017.

11. On November 9, 2017, I emailed Missaghi and advised him that my calculations indicated that the Third Mortgage Statement was off by $55,155.[8] Responding that day, Missaghi wrote:

> **The mortgage calculator we have is based on Monthly injections of $25,882 each months [*sic*] for mortgage payemnts [*sic*] for 1st mortgage and 2nd mortgage and taxes.** And your calculation is compounded interest based on annual compounding, Ours is based on Monthly compounding and thats where you are off.
>
> When monthly injections are added compound monthly is where we land. All in a ll [*sic*] in the ache [*sic*] of the numbers we are talking here $50k isn't much to talk about [*sic*]
>
> **[Emphasis added]**[9]

12. On November 27, 2017, Missaghi sent me an appraisal report for the Property dated November 15, 2017, prepares by Carlo Esposito.[10] Unbeknownst to me at the time was the fact that Missaghi had colluded with Mr. Esposito in relation to other, fraudulent, transactions, one of which was the subject of *HJLJ Investments Limited v. 2305106 Ontario Ltd.*, 2015 ONSC 6302.[11]

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[8] Attached as **Exhibit "H"** is a copy of the email from Payam Katebian to Ara Missaghi dated November 9, 2017.

[9] Attached as **Exhibit "I"** is a copy of the email thread from Ara Missaghi to Payam Katebian dated November 9, 2017.

[10] Attached as **Exhibit "J"** is a copy of the email from Ara Missaghi to Payam Katebian dated November 27, 2017, along with the Appraisal Report dated November 15, 2017, attached to same.

[11] Attached as **Exhibit "K"** is a copy of the Endorsement of the Honourable Justice Fitzpatrick in *HJLJ Investments Limited v. 2305106 Ontario Ltd.*, 2015 ONSC 6302.

13. In that Mr. Esposito's appraisal valued the Property at $9,250,000.00, and believing Missaghi's documentary and verbal assurances deposed to herein that the first and second mortgages were being kept current, I was confident that there w as more than enough equity in the Property to ensure that MGMIC's supercordinate position in the Third Mortgage would be paid out in full. But for Missaghi's representations and Mr. Esposito's appraisal, MGMIC would not have purchased its interest in the Third Mortgage.

14. On December 1, 2017, a Transfer of Charge, transferring a 30.1% interest in the Third Mortgage from WFC to MGMIC was registered against the Property as Instrument No. AT4749651.[12] Although the Syndication Agreement provided for the transfer of a 31.1% interest in the Third Mortgage to MGMIC, I verily believe that the Transfer of Charge to effect same was improperly prepared, which is why it only provides for the transfer of a 30.1% interest.

15. On or about June 6, 2018, I received a copy of the mortgage discharge statement for the Third Mortgage, dated May 14, 2018, apparently prepared by WFC, which shows an outstanding balance on the Third Mortgage in the amount of $6,700,916.93, as at May 14, 2018, with a per diem rate of $2,283.36.[13] MGMIC's 30.1 percent interest in the Third Mortgage is $2,016,976 and 30.1 percent interest in the per diem rate is $687.29.

[12] Attached as **Exhibit "L"** is a copy of the Transfer of Charge registered as AT4749651 on PIN 06511-0222(LT) on December 1, 2017.

[13] Attached as **Exhibit "M"** is a copy of the Mortgage Statement for the Third Mortgage prepared by World Finance Corporation and dated May 14, 2018.

16. I understand that the holder of the first mortgage on the Property, Pillar, claims that it is owed $2,534,582.27, as at May 29, 2018. However, if WFC, was paying the sum of $25,882.00 per month on account of taxes on the Property and to keep the first and second mortgages on the Property current, which Missaghi and Wilson repeatedly represented to me that WFC was, at all material times, paying, then the proper amount owing under the first mortgage was, as at November 1, 2017, $2,174,880.00, and it should not have substantially increased since that date. If the amount owing under Pillar's mortgage increased then it did so solely as a result of the failure of Missaghi and his accomplices, who control both Pillar and WFC, to make the payments that they assured me they were making. Neither the debtor nor the subsequent encumbrances, including MGMIC, should be prejudiced by the failure of WFC to make payments to Pillar if, in fact, those payments were not made.

17. On June 15, 2018, MGMIC's lawyers wrote to the Receiver's lawyer and advised the Receiver that MGMIC claims a priority over WFC for the amounts owing under the Third Mortgage.[14]

18. On June 20, 2018, I was advised by the lawyer for the Applicants in the within proceeding, David Preger, and verily believe, that the applicants in the within proceeding, did receive $8,000 per month from WFC until, approximately, January or February 2018.

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[14] Attached as **Exhibit "N"** is a copy of the correspondence from Berkow Youd Lev-Farrell Das LLP to the Receiver's lawyer dated June 15, 2018, along with the supporting documents thereto attached.

19. To date, I have received no explanation from WFC, Missaghi, Alizadeh or Wilson as to what they did with the other $17,882.00 that WFC was purporting to pay towards property taxes and keeping the first and second mortgages on the Property current. I verily believe that Pillar, Missaghi, Alizadeh and Wilson have conspired together to artificially inflate the Pillar mortgage.

20. Further, I verily believe that Pillar, WFC, Missaghi, Alizadeh and Wilson have deliberately sought to delay the within proceeding, raised issues in bad faith, and placed three partners and an articling student on the file, for the improper purpose of further inflating the monies claimed by Pillar under the first mortgage on the Property.

21. For example, WFC commenced an appeal in the within proceeding that was fatally flawed and served only to add delay and costs. In response, the Receiver brought a motion for direction before the Court of Appeal. Following the hearing of that motion, Justice Paciocco ordered WFC to pay to MGMIC costs in the amount of $2,000.00. To date, WFC has failed to pay those costs and MGMIC asks that this Honourable Court take the aforesaid costs awarded into account when determining the distribution of the funds held by the Receiver in relation to the within proceeding.

22. I have reviewed the Affidavit of Stephen Handelman sworn July 30, 2018 (the **"Handleman Affidavit"**), tendered on behalf of the Applicants in the within proceeding. At paragraph 3 of that affidavit, reference is made to statements by Justice McEwan in His Honour's Endorsement dated April 13, 2018 (annexed as Exhibit "B" to that affidavit) whereby His Honour stated that "there is reason to believe that the first and third

mortgagees' statements are inflated". None of MGMIC, my father, Morteza Katebian, or I had any involvement in the preparation of those mortgage statements.

23. I also note that paragraph 21 of the Handleman Affidavit deposes that Missaghi continued to represent to Mr. Handelman that the first mortgage on the Property was being kept current by way of payments from the third mortgagee (*i.e.* by WFC). Indeed, as deposed to herein, Missaghi made the same representations to me, and my father advises that Missaghi made the same representations to him.

24. If it were not for Missaghi's representations that the first mortgage was being serviced by the third mortgagee, MGMIC would not have purchased its interest in the third mortgage on the Property because MGMIC's likelihood of recovering its investment would have been too remote. The assertion in the Handleman Affidavit, at paragraph 22, that Missaghi deliberately inflated the First Mortgage to siphon equity out of the Property to the Second Mortgagee's detriment was also detrimental to MGMIC's position as the holder of the superordinate position on the Third Mortgage. I note that Exhibit "Z" to the Handleman

25. I also share the concerns set out in paragraph 35 of the Handleman Affidavit, which, briefly, are (a) that the transfer of the first mortgage to Pillar may be invalid; (b) Pillar's mortgage statements are calculated using an interest rate of 8.25 percent instead of the rate of 7.5 percent provided for in the instrument registering the first mortgage on the Property; (c) the opening balance on Pillar's mortgage statement overstates the balance owing under the First Mortgage on August 15, 2014, by $326,952.76; (d) the claim for

property management fees of $19,379.50 and property maintenance fees of $33,222.00 were not in fact paid.

26. MGMIC disputes Pillar's claim that it paid property management fees and property maintenance fees totalling, $52,601.50. To date, MGMIC has seen no evidence to support those claims. The Receiver's reports in relation to the Property indicate that it was not properly maintained, which makes it questionable whether any of those fees claimed by Pillar were, in fact, paid. Moreover, Missaghi advised me, and I verily believe, that he has a practice of using sham corporations to generate invoices for property management and maintenance fees for the purpose of inflating amounts owing under the mortgages held by the various entities he controls, which leads me to further question whether, in fact, these expenses were incurred at all. Indeed, the photographs attached as Exhibit "W" to the Handleman Affidavit speaks volumes about the Property's dilapidation as does the actual sale price for the Property obtained by the Receiver.

27. Finally, I hereby adopt the statements found at paragraphs 51 to 58 of the Handleman Affidavit and the documents exhibited to the aforesaid affidavit in those paragraphs. MGMIC concurs with the Applicants' concerns that the first mortgage should have been discharged and, in the alternative and in any event, that Pillar's claim as to the amounts owing under the First Mortgage are grossly exaggerated. As well, MGMIC concurs that if any amounts are owed to Pillar under the First Mortgage then said amounts must be discounted on account of Pillar causing the Receiver, the Applicants and MGMIC to incur professional fees and disbursements that would not have otherwise been incurred but for Pillar's dilatory and unnecessary conduct.

28. I make this affidavit in response to the motion by the Receiver for directions in relation to the distribution of the proceeds of the sale of the Property and for no other or improper purpose.

AFFIRMED BEFORE ME at the City of Toronto, in the Province of Ontario on August 8, 2018

Commissioner for Taking Affidavits
(or as may be)

ADAM JARED WYGODNY

PAYAM KATEBIAN

This is Exhibit "Z" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

No.	Borrower with Outstanding Mortgage	Mortgage Priority	Property Address	Initial Commitment Date	Principal Currently Owing to MGMIC	Nature of Related Party Relationship	Status of the Loan
1	Atlas Capital Corporation (2013)	2	2045 Lakeshore Blvd. W., Unit 3103	12-Aug-15	$665,000	Related to Missaghi	**In default**. Principal matured on Dec 31, 2017. No interest payments made since Jul 7, 2017. Summary judgment motion by MGMIC pending against lender and guarantor, Jonathane Ricci.
2	Atlas Capital Corporation (2013)	1	2045 Lakeshore Blvd. W., Unit 3103	Note 1	$765,326	Related to Missaghi	Staff do not have any information about the status of this mortgage.
3	Enigma Land Ltd.	2	4342 Steeles Ave., Vaughan	20-Nov-15	$320,000	Related to Missaghi	**In default**. Principal matured on Dec 31, 2017. No interest payments made since Jul 4, 2017. Receivership application commenced by MGMIC on Apr 3, 2018, but not yet heard. The property was sold under a power of sale for $4,475,000 on Sep 24, 2018. As a result, MGMIC's mortgage was discharged. Another mortgagee has registered a caution against the property, as a result of concerns that the power of sale was a fraudulent conveyance.

No.	Borrower with Outstanding Mortgage	Mortgage Priority	Property Address	Initial Commitment Date	Principal Currently Owing to MGMIC	Nature of Related Party Relationship	Status of the Loan
4	Canadian Land Corporation	1	5355 Highway 101, Timmins	24-Feb-16	$2,372,500	Related to Missaghi	**In default**. Principal matured on Dec 31, 2017. No interest payments made since Jul 4, 2017. Receivership application commenced on Aug 14, 2018, but not yet heard.
5	Mansteel New Liskeard	1	1107 Lakeshore Rd. South, Temiskaming	11-Jul-16	$431,755	Related to Missaghi	**In default.** Principal matured on Dec 31, 2017. Regular interest payment ceased in Jul 2017 and a final interest payment was made on Dec 12, 2017. Receivership application commenced on Aug 14, 2018, but not yet heard.
6	Mansteel New Liskeard	2	1107 Lakeshore Rd. South, Temiskaming	17-Jun-16	$3,475,000	Related to Missaghi	See above.
7	2450531 Ontario Inc.	2	293 Euclid Ave, Toronto	15-Sep-16	$282,500	Payam is a director	Principal matured on Sep 23, 2017. Interest payments appear to be current.

State of the Mortgage Portfolio

No.	Borrower with Outstanding Mortgage	Mortgage Priority	Property Address	Initial Commitment Date	Principal Currently Owing to MGMIC	Nature of Related Party Relationship	Status of the Loan
8	2546456 Ontario Inc.	2	558 Dovercourt Rd, Toronto	25-May-17	$611,000	Payam is a shareholder	**In default**. Principal matured on May 29, 2018. Only two months of interest paid and no payments since Aug 2, 2018. Receivership order obtained by MGMIC on Jul 30, 2018. Property has not been sold.
9	World Finance Corporation	3	4 Birchmount Road, Toronto	02-Nov-17	$1,600,000	Related to Missaghi	**In default**. Principal matured on May 28, 2018. No interest payments ever made. Receiver appointed on April 13, 2018 and a vesting order for the sale of the property issued on June 1, 2018. As a result, MGMIC's mortgage has been discharged.
	Total				$10,523,081		

This is Exhibit "AA" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

406

2045 Lakeshore Blvd. W., Unit 3103

Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND REGISTRY OFFICE #66

11382-0412 (LT)

PREPARED FOR CCPellerin ON 2018/10/30 AT 12:11:05

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: UNIT 3, LEVEL 30, YORK CONDOMINIUM PLAN NO. 382, PT LOT 24 PLAN 1176 & PT WATER LOT IN FRONT OF LOT F BROKEN FRONT RANGE E ON LAKE ONTARIO PTS 1 TO 3, 8, 19, 20, 29, 30, 31A, 31C, 32A, 32C, 33, 34, 35B 66R9423 AS IN SCHEDULE `A' OF DECLARATION B577469 AMENDED BY B807719; S/T B995378 TO B995380; T/W B995374 TO B995377 ETOBICOKE , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE

RECENTLY: FIRST CONVERSION FROM BOOK

PIN CREATION DATE: 1992/06/08

OWNERS' NAMES: ATLAS CAPITAL CORPORATION (2013)

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1992/06/08 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1992/06/08						
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1992/02/23 **						
EB317609	1966/08/05	AGREEMENT			THE CORPORATION OF THE TOWNSHIP OF ETOBICOKE	C
EB346825	1968/08/02	AGREEMENT			THE CORPORATION OF THE TOWNSHIP OF ETOBICOKE THE BOARD OF EDUCATION FOR THE TOWNSHIP OF ETOBICOKE	C
EB423031	1973/09/11	AGREEMENT			THE CORPORATION OF THE BOROUGH OF ETOBICOKE	C
EB456802	1975/12/16	AGREEMENT			THE CORPORATION OF THE BOROUGH OF ETOBICOKE	C
EB467180	1976/09/10	AGREEMENT			BELL CANADA THE HYDRO ELECTRIC COMMISSION OF THE BOROUGH OF ETOBICOKE THE CORPORATION OF THE BOROUGH OF ETOBICOKE	C
REMARKS: COVENANTS						
EB467181	1976/09/10	AGREEMENT			THE CORPORATION OF THE BOROUGH OF ETOBICOKE	C
REMARKS: COVENANTS						
A676423	1978/03/02	NOTICE AGREEMENT			THE CORPORATION OF THE BOROUGH OF ETOBICOKE	C
B577469	1978/03/23	DECLARATION CONDO			280276 ONTARIO LIMITED	C
B579938	1978/04/17	BYLAW				C
REMARKS: NO. 1						
B579939	1978/04/17	BYLAW				C
REMARKS: NO. 2						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

Ontario ServiceOntario

LAND REGISTRY OFFICE #66

11382-0412 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:11:05

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
B579940	1978/04/17	BYLAW				C
REMARKS: NO. 3						
B579941	1978/04/17	BYLAW				C
REMARKS: NO. 4						
B579942	1978/04/17	BYLAW		YORK CONDOMINIUM CORPORATION NO. 382		C
REMARKS: BY-LAW NO. 5 REPEALED BY BY-LAW NO. 7 REGISTERD AS B932285						
B579943	1978/04/17	BYLAW				C
REMARKS: NO. 6						
66R10468	1978/09/26	PLAN REFERENCE				C
B807719	1983/12/30	APL (GENERAL)				C
REMARKS: AMENDING DECLARATION						
B862887	1985/06/11	NOTICE AGREEMENT		*** COMPLETELY DELETED ***	URSINI, THERESE PETRE	
B932825	1986/11/20	BYLAW				C
REMARKS: SPECIAL NO. 7						
B935920	1986/12/05	NOTICE AGREEMENT		YORK CONDOMINIUM CORPORATION NO.382	JAY-M HOLDINGS LIMITED	C
CORRECTIONS: 'PARTY: YORK CONDPOMINIUM CORPORATION NO.382' ADDED ON 1993/05/14 BY JOSEPHINE WELSH. 'PARTY' CHANGED FROM 'YORK CONDPOMINIUM CORPORATION NO 382' TO 'YORK CONDOMINIUM CORPORATION NO.382' ON 1993/05/14 BY JOSEPHINE WELSH.						
B965051	1987/05/01	TRANSFER		*** COMPLETELY DELETED ***	SMELA, JOAN	
B978115	1987/06/22	CHARGE		*** COMPLETELY DELETED ***	THE TORONTO-DOMINION BANK	
66R15053	1987/07/30	PLAN REFERENCE				C
D70727	1988/10/24	CHARGE		*** COMPLETELY DELETED ***	THE TORONTO-DOMINION BANK	
D77926	1988/11/22	BYLAW				C
REMARKS: NO. 8						
D97516	1989/03/02	BYLAW				C
REMARKS: NO. 9						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
D218643	1990/10/23	CHARGE		*** COMPLETELY DELETED ***	UBLANSKY, JEROME SAMUEL	
66R16275	1991/08/21	PLAN REFERENCE				C
66R16402	1992/03/19	PLAN REFERENCE				C
66R16589	1993/04/30	PLAN REFERENCE				C
REMARKS: LAYS OUT PT. COMMON ELEMENTS OF YORK CONDOMINIUM PLAN NO.382 AS PARTS 1 TO 13 (INCL.) THEREON.						
66D1015	1994/01/19	PLAN EXPROPRIATION			THE MUNICIPALITY OF METROPOLITAN TORONTO	C
REMARKS: PT. COMMON ELEMENTS OF YORK CONDO. PLAN NO.382, NOW DESIGNATED FOR FEESIMPLE AS PTS 3,4,6,9 & 10 ON EXPRO. PLAN 66D1015 & SUBJ.TO EASEMENT OVER PTS 3,4,6,9 & 10, PL.66D1015 & TOGETHER WITH TEMP. EASEMENT OVER PTS 1,2,5,7,8,11,12 & 13, PL.66D1015.NOW ENTRIED INTO PIN 11382-1210.						
D408765	1994/01/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		
REMARKS: RE: B978115						
D408766	1994/01/24	TRANS POWER SALE		*** COMPLETELY DELETED *** SMELA, JOAN	PAK, BENSON SAI HING	
REMARKS: B965091, D70727, D218643-DELETED						
D408767	1994/01/24	CHARGE		*** COMPLETELY DELETED *** PAK, BENSON SAI HING	ROYAL BANK OF CANADA	
D483990	1996/01/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: RE: D408767						
D483991	1996/01/05	TRANSFER		*** COMPLETELY DELETED *** PAK, BENSON SAI HING	861722 ONTARIO LIMITED	
D483992	1996/01/05	CHARGE		*** COMPLETELY DELETED *** 861722 ONTARIO LIMITED	PAK, BENSON SAI HING	
D554785	1997/06/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** PAK, BENSON SAI HING		
REMARKS: RE: D483992						
D554786	1997/06/02	TRANSFER		*** COMPLETELY DELETED *** 861722 ONTARIO LIMITED	PURSER, PHILLIP FRANCIS PURSER, EDRISE ANNA	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
D554787	1997/06/02	CHARGE		*** COMPLETELY DELETED *** PURSER, PHILLIP FRANCIS PURSER, EDRISE ANNA	BANK OF MONTREAL	
D589427	1998/01/22	APL (GENERAL)		*** COMPLETELY DELETED *** PURSER, PHILLIP FRANCIS PURSER, EDRISE ANNA		
REMARKS: DELETE B862887						
D589570	1998/01/23	TRANSFER		*** COMPLETELY DELETED *** PURSER, PHILLIP FRANCIS PURSER, EDRISE ANNA	SINCLAIR, LINDA	
D589571	1998/01/23	CHARGE		*** COMPLETELY DELETED *** SINCLAIR, LINDA	ROYAL BANK OF CANADA	
D589572	1998/01/23	CHARGE		*** COMPLETELY DELETED *** SINCLAIR, LINDA	ROYAL BANK OF CANADA	
D593787	1998/02/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
REMARKS: RE: D554787						
D613786	1998/07/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: RE: D589572						
AT73212	2003/01/06	CONDO BYLAW/98		YORK CONDOMINIUM CORPORATION NO. 382		C
REMARKS: RE: BY-LAW NO. 10						
AT84322	2003/01/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: RE: D589571						
AT471482	2004/04/30	TRANSFER		*** COMPLETELY DELETED *** SINCLAIR, LINDA	WEBER, MICHAEL WEBER, EILEEN MARIE	
AT648505	2004/11/03	TRANSFER		*** COMPLETELY DELETED *** WEBER, EILEEN MARIE WEBER, MICHAEL	FAHIM, SAFWAT GUIRGUIS, MANAL	

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Ontario ServiceOntario

LAND REGISTRY OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

11382-0412 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:11:05

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT648506	2004/11/03	CHARGE		*** COMPLETELY DELETED *** FAHIM, SAFWAT GUIRGUIS, MANAL	CIBC MORTGAGES INC.	
AT732821	2005/02/16	CHARGE		*** COMPLETELY DELETED *** FAHIM, SAFWAT GUIRGUIS, MANAL	CANADIAN IMPERIAL BANK OF COMMERCE	
AT1266964	2006/09/28	CHARGE		*** COMPLETELY DELETED *** FAHIM, SAFWAT GUIRGUIS, MANAL	ROYAL BANK OF CANADA	
AT1282526	2006/10/17	DISCH OF CHARGE		*** COMPLETELY DELETED *** CIBC MORTGAGES INC.		
REMARKS: RE: AT648506						
AT1300239	2006/11/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
REMARKS: RE: AT732821						
AT1501820	2007/07/09	LR'S ORDER		LAND REGISTRAR		C
REMARKS: ENTER BY-LAW NO.5-B579942						
AT2280285	2010/01/15	CONDO BYLAW/98		YORK CONDOMINIUM CORPORATION NO. 382		C
REMARKS: BY-LAW NO.11						
AT3140189	2012/09/28	TRANSFER		*** COMPLETELY DELETED *** FAHIM, SAFWAT GUIRGUIS, MANAL	2339545 ONTARIO INC.	
AT3145694	2012/10/05	CHARGE		*** COMPLETELY DELETED *** 2339545 ONTARIO INC.	BAUER, LUCY MARGEL, HELEN MARGEL, HARRY	
AT3170479	2012/11/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS· AT1266964.						
AT3339025	2013/06/28	CONDO LIEN/98		*** COMPLETELY DELETED *** YORK CONDOMINIUM CORPORATION NO. 382		
AT3391884	2013/08/28	DIS CONDO LIEN		*** COMPLETELY DELETED ***		

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Ontario ServiceOntario

LAND REGISTRY OFFICE #66

11382-0412 (LT)

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ON 2018/10/30 AT 12:11:05

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				YORK CONDOMINIUM CORPORATION NO. 382		
REMARKS: AT3339025.						
AT3398418	2013/09/04	CHARGE		*** COMPLETELY DELETED *** 2339545 ONTARIO INC.	KANSAL, VINAY THE BANK OF NOVA SCOTIA TRUST COMPANY	
AT3398419	2013/09/04	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** 2339545 ONTARIO INC.	KANSAL, VINAY THE BANK OF NOVA SCOTIA TRUST COMPANY	
REMARKS: AT3398418						
AT3517667	2014/02/10	TRANSFER	$2	2339545 ONTARIO INC.	ATLAS CAPITAL CORPORATION (2013)	C
AT3518441	2014/02/11	CONDO LIEN/98		*** COMPLETELY DELETED *** YORK CONDOMINIUM CORPORATION NO 382		
AT3573350	2014/05/02	CAUTION-CHARGE		*** COMPLETELY DELETED *** KANSAL, VINAY		
REMARKS: AT3398418. DELETED AS AN EXPIRED INTEREST PURSUANT TO BULLETIN 89004 ON 2014/11/10 BY R. WARNER						
AT3648581	2014/07/31	DIS CONDO LIEN		*** COMPLETELY DELETED *** YORK CONDOMINIUM CORPORATION NO. 382		
REMARKS: AT3518441.						
AT3671582	2014/08/26	CONDO LIEN/98		*** COMPLETELY DELETED *** YORK CONDOMINIUM CORPORATION NO 382		
AT3739463	2014/11/13	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** BAUER, LUCY MARGEL, HELEN MARGEL, HARRY	2399021 ONTARIO INC.	
REMARKS: AT3145694.						
AT3851863	2015/04/08	DIS CONDO LIEN		*** COMPLETELY DELETED *** YORK CONDOMINIUM CORPORATION NO. 382		
REMARKS: AT3671582.						
AT3871818	2015/04/30	CONDO LIEN/98		*** COMPLETELY DELETED *** YORK CONDOMINIUM CORPORATION NO. 382		
AT3952191	2015/07/20	CHARGE	$725,000	ATLAS CAPITAL CORPORATION (2013)	B & M. HANDELMAN INVESTMENTS LTD. MACKENZIE, INGRID	C

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LAND REGISTRY OFFICE #66

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ON 2018/10/30 AT 12:11:05

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					THE BANK OF NOVA SCOTIA TRUST COMPANY	
AT3952192	2015/07/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** KANSAL, VINAY THE BANK OF NOVA SCOTIA TRUST COMPANY		
REMARKS: AT3398418.						
AT3952193	2015/07/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2399021 ONTARIO INC.		
REMARKS: AT3145694.						
AT3964414	2015/07/31	DIS CONDO LIEN		*** COMPLETELY DELETED *** YORK CONDOMINIUM CORPORATION NO. 382		
REMARKS: AT3871818.						
AT3984341	2015/08/20	CHARGE	$665,000	ATLAS CAPITAL CORPORATION (2013)	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
AT4020753	2015/09/29	CONDO LIEN/98		*** COMPLETELY DELETED *** YORK CONDOMINIUM CORPORATION NO. 382		
AT4050719	2015/10/29	DIS CONDO LIEN		*** COMPLETELY DELETED *** YORK CONDOMINIUM CORPORATION NO. 382		
REMARKS: AT4020753.						
AT4556307	2017/05/04	TRANSFER OF CHARGE		THE BANK OF NOVA SCOTIA TRUST COMPANY	RIDGESTAR DEVELOPMENTS INC.	C
REMARKS: AT3952191.						
AT4905692	2018/07/10	NOTICE OF LEASE	$2	ATLAS CAPITAL CORPORATION (2013)	MOHAMMED, SAI	C
AT4984729	2018/10/18	TRANSFER OF CHARGE		B. & M. HANDELMAN INVESTMENTS LTD. MACKENZIE, INGRID RIDGESTAR DEVELOPMENTS INC	MONEY GATE MORTGAGE INVESTMENT CORPORATION	
REMARKS: AT3952191.						

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413

4342 Steeles Ave.
Vaughan

Ontario ServiceOntario

LAND REGISTRY OFFICE #65

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

03224-0005 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:28:45

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 1 CON 6 VAUGHAN AS IN R379547 ; S/T R270805 VAUGHAN; CITY OF VAUGHAN

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
RE-ENTRY FROM 03224-0203

PIN CREATION DATE:
1999/05/21

OWNERS' NAMES
SKYMARK PROPERTIES IV INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/04/07 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/05/21						
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 1999/05/21 ***						
***SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:*						
*** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES **						
*** AND ESCHEATS OR FORFEITURE TO THE CROWN.*						
*** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF*						
*** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY*						
*** CONVENTION.*						
*** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.*						
***DATE OF CONVERSION TO LAND TITLES: 1999/05/25 ***						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
VA71588	1973/01/29	NOTICE				C
REMARKS: AMENDMENT OF AIRPORT ZONING REGULATIONS; LB355841 - AFFECTS ALL/PART VARIOUS LANDS (ADDED 2000/02/09 BY S COLES, ADLR)						
64R8700	1980/10/07	PLAN REFERENCE				C
R270805	1981/05/05	TRANSFER EASEMENT			THE CORPORATION OF THE TOWN OF VAUGHAN	C
R379547	1985/09/27	TRANSFER		*** DELETED AGAINST THIS PROPERTY ***	KILORAN INVESTMENTS INC	
R435024	1987/06/02	AGREEMENT				C
REMARKS: SITE PLAN						
R448590	1987/10/08	AGREEMENT				C

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LAND REGISTRY OFFICE #65

03224-0005 (LT)

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: SITE PLAN						
R594319	1992/05/08	AGREEMENT			THE CITY OF VAUGHAN	C
REMARKS: SITE PLAN						
R702460	1997/06/30	CHARGE		*** DELETED AGAINST THIS PROPERTY *** R & R HOLDINGS INC.	TILZEN HOLDINGS LIMITED	
LT1384947	1999/07/30	CHARGE		*** COMPLETELY DELETED *** KILORAN INVESTMENTS INC.	BMW FINANCIAL SERVICES CANADA A DIVISION OF BMW CANADA INC.	
LT1384948	1999/07/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** TILZEN HOLDINGS LIMITED		
REMARKS: RE. R702460						
YR829110	2006/06/07	TRANSFER		*** COMPLETELY DELETED *** KILORAN INVESTMENTS INC.	ENIGMA LAND LTD.	
REMARKS: PLANNING ACT STATEMENTS						
YR829111	2006/06/07	CHARGE	$1,250,000	ENIGMA LAND LTD.	DAST PROPERTIES LIMITED	C
YR829112	2006/06/07	NO ASSGN RENT GEN		ENIGMA LAND LTD.	DAST PROPERTIES LIMITED	C
REMARKS: YR829111						
YR829113	2006/06/07	CHARGE		*** COMPLETELY DELETED *** ENIGMA LAND LTD.	527540 ONTARIO LIMITED	
YR829114	2006/06/07	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** ENIGMA LAND LTD.	527540 ONTARIO LIMITED	
REMARKS· YR829113						
YR829115	2006/06/07	CHARGE		*** COMPLETELY DELETED *** ENIGMA LAND LTD.	WORLD FINANCE CORPORATION	
YR829116	2006/06/07	CHARGE		*** COMPLETELY DELETED *** ENIGMA LAND LTD.	WORLD FINANCE CORPORATION	
YR829129	2006/06/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** BMW FINANCIAL SERVICES CANADA A DIVISION OF BMW CANADA INC.		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: RE. LT1384947						
YR829237	2006/06/07	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** WORLD FINANCE CORPORATION	527540 ONTARIO LIMITED	
REMARKS: YR829115						
YR829241	2006/06/07	NOTICE		*** COMPLETELY DELETED *** 527540 ONTARIO LIMITED	ENIGMA LAND LTD.	
REMARKS. YR829115						
YR941394	2007/01/26	CHARGE		*** COMPLETELY DELETED *** ENIGMA LAND LTD.	457351 ONTARIO INC.	
YR941424	2007/01/26	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** ENIGMA LAND LTD.	457351 ONTARIO INC.	
REMARKS: YR941394						
YR941509	2007/01/26	POSTPONEMENT		*** COMPLETELY DELETED *** WORLD FINANCE CORPORATION	457351 ONTARIO INC.	
REMARKS: YR829116 TO YR941394.						
YR941657	2007/01/26	POSTPONEMENT		*** COMPLETELY DELETED *** WORLD FINANCE CORPORATION	457351 ONTARIO INC.	
REMARKS: YR829116 TO YR941424						
YR941677	2007/01/26	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 527540 ONTARIO LIMITED	WORLD FINANCE CORPORATION	
REMARKS: YR829115						
YR941766	2007/01/29	POSTPONEMENT		*** COMPLETELY DELETED *** WORLD FINANCE CORPORATION	457351 ONTARIO INC.	
REMARKS: YR829115 TO YR941394						
YR1124362	2008/02/13	NOTICE OF LEASE		*** COMPLETELY DELETED *** MOTORSPORTS PLUS INC.	ENIGMA LAND LTD	
YR1140256	2008/03/26	CAUTION-LAND		*** COMPLETELY DELETED *** ENIGMA LAND LTD.	MOULTON, CURLEW DEVON	
REMARKS: EXPIRES 2008-06-26						
YR1260218	2008/11/28	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 527540 ONTARIO LIMITED	WORLD FINANCE CORPORATION	
REMARKS: YR829113						

Ontario ServiceOntario

LAND REGISTRY OFFICE #65

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

03224-0005 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:28:45

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR1277255	2009/01/15	NOTICE		*** COMPLETELY DELETED *** YORK REGION CONDOMINIUM CORPORATION NO. 595		
YR1301804	2009/04/02	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** WORLD FINANCE CORPORATION	1793522 ONTARIO LIMITED	
REMARKS: YR1260218						
YR1301805	2009/04/02	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** WORLD FINANCE CORPORATION	1793522 ONTARIO LIMITED	
REMARKS: YR941677						
YR1301806	2009/04/02	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** WORLD FINANCE CORPORATION	1793522 ONTARIO LIMITED	
REMARKS: YR829116						
YR1302829	2009/04/06	CHARGE		*** COMPLETELY DELETED *** ENIGMA LAND LTD.	1793522 ONTARIO LIMITED	
YR1306915	2009/04/20	CAUTION-LAND		*** COMPLETELY DELETED *** ENIGMA LAND LTD.	WORLD FINANCE CORPORATION	
REMARKS: EXPIRES JULY 20, 2009- DELETED 2011/6/27 M.MUDIE ADLR						
YR1314910	2009/05/08	CERTIFICATE		*** COMPLETELY DELETED *** WORLD FINANCE CORPORATION		
REMARKS: CERTIFICATE OF PENDING LITIGATION						
YR1325201	2009/06/03	APL COURT ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	ENIGMA LAND LTD.	
YR1343797	2009/07/15	NOTICE		*** COMPLETELY DELETED *** IFRAIMOV, AKIVA		
YR1669200	2011/06/27	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 457351 ONTARIO INC.	CROWN CAPITAL CORPORATION	
REMARKS: YR941394.						
YR1673367	2011/07/04	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** DAST PROPERTIES LIMITED	527540 ONTARIO LIMITED	
REMARKS: YR829111.						
YR1783275	2012/02/13	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 527540 ONTARIO LIMITED	2294105 ONTARIO INC.	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: YR829237.						
YR1785241	2012/02/17	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 2294105 ONTARIO INC.	CANADA INVESTMENT CORPORATION	
REMARKS: YR1783275.						
YR1798567	2012/03/22	DISCHARGE INTEREST		*** COMPLETELY DELETED *** IFRAIMOV, AKIVA		
REMARKS: YR1343797.						
YR1821189	2012/05/11	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 527540 ONTARIO LIMITED	2294105 ONTARIO INC.	
REMARKS: YR829111.						
YR1837848	2012/06/14	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 1793522 ONTARIO LIMITED	WORLD FINANCE CORPORATION	
REMARKS: YR829113. DELETED PER COURT ORDER YR1877409						
YR1838657	2012/06/15	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** WORLD FINANCE CORPORATION	527540 ONTARIO LIMITED	
REMARKS: YR829113. DELETED PER COURT ORDER YR1877409						
YR1843446	2012/06/26	LR'S CAUTION		*** COMPLETELY DELETED *** LAND REGISTRAR, LRO # 65		
REMARKS: SEE DOCUMENT						
YR1862050	2012/07/30	CAUTION-LAND		*** COMPLETELY DELETED *** ENIGMA LAND LTD.	1793522 ONTARIO LIMITED	
REMARKS: EXPIRY DATE: 2012/10/30. DELETED OCTOBER 2ND, 2012 - 60 DAY EXPIRED FROM JULY 30, 2012						
YR1862702	2012/07/31	LR'S ORDER		*** COMPLETELY DELETED *** LAND REGISTAR, LRO #65		
REMARKS: DELETE YR1783275, YR1785241 AND YR1843446						
YR1877409	2012/08/29	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	1793522 ONTARIO LIMITED	
REMARKS: DELETE YR1837848 AND YR1838657						
YR1891206	2012/09/27	RESTRICTIONS ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	1793522 ONTARIO LIMITED	
YR1954675	2013/03/13	APL COURT ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	1793522 ONTARIO LIMITED	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR1992630	2013/06/20	CERTIFICATE		*** COMPLETELY DELETED *** 1793522 ONTARIO LIMITED		
REMARKS: CERTIFICATE OF PENDING LITIGATION						
YR2184483	2014/09/09	RESTRICTIONS ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	527540 ONTARIO LIMITED	
REMARKS. RESTRAINED FROM DEALING WITH THE PROPERTY						
YR2242174	2015/01/13	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	527540 ONTARIO LIMITED	
YR2341618	2015/08/19	SEIZURE OF CHARGE		*** COMPLETELY DELETED *** SHERIFF, REGIONAL MUNICIPALITY OF YORK		
REMARKS: YR829111.						
YR2388446	2015/11/12	APL (GENERAL)		*** COMPLETELY DELETED *** SHERIFF, REGIONAL MUNICIPALITY OF YORK		
REMARKS: DELETE YR2341618						
YR2388915	2015/11/13	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	1793522 ONTARIO LIMITED	
REMARKS: YR1314910, YR1891206, YR1954675, YR1992630						
YR2391171	2015/11/18	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 2294105 ONTARIO INC.	2399021 ONTARIO INC	
REMARKS: YR829111.						
YR2393924	2015/11/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1793522 ONTARIO LIMITED		
REMARKS: YR1302829.						
YR2393942	2015/11/24	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 1793522 ONTARIO LIMITED	2399021 ONTARIO INC.	
REMARKS: YR829113.						
YR2393944	2015/11/24	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 1793522 ONTARIO LIMITED	2399021 ONTARIO INC.	
REMARKS: YR829115.						
YR2393945	2015/11/24	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 11793522 ONTARIO LIMITED	2399021 ONTARIO INC.	
REMARKS: YR829116.						

Ontario ServiceOntario

LAND REGISTRY OFFICE #65

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

03224-0005 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:28:45

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR2395832	2015/11/27	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 2399021 ONTARO INC	CURAH CAPITAL CORPORATION MONEY GATE MORTGAGE INVESTMENT CORPORATION	
REMARKS: YR829113.						
YR2405961	2015/12/17	APL (GENERAL)		*** COMPLETELY DELETED *** ENIGMA LAND LTD	ENIGMA LAND LTD	
REMARKS: YR1124362						
YR2408006	2015/12/21	CERTIFICATE		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF VAUGHAN		
REMARKS: TAX ARREARS CERTIFICATE						
YR2442410	2016/03/11	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	2399021 ONTARIO INC.	
REMARKS: DELETES YR1325201						
YR2567891	2016/10/27	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** CURAH CAPITAL CORPORATION	2381438 ONTARIO CORPORATION	
REMARKS: YR829113.						
YR2607018	2017/01/10	APL (GENERAL)		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF VAUGHAN		
REMARKS: DELETE YR2408006						
YR2877638	2018/09/24	TRANS POWER SALE	$4,475,000	2399021 ONTARIO INC	SKYMARK PROPERTIES IV INC	C
REMARKS: YR829111. PLANNING ACT STATEMENTS.						
YR2877640	2018/09/24	CHARGE	$4,000,000	SKYMARK PROPERTIES IV INC.	2399021 ONTARIO INC.	C
YR2884214	2018/10/10	CAUTION-LAND	$2	ENIGMA LAND LTD.	2381438 ONTARIO CORPORATION	
YR2884215	2018/10/10	CAUTION-CHARGE		2381438 ONTARIO CORPORATION		
REMARKS: YR2877640.						
YR2885304	2018/10/12	APL COURT ORDER		2399021 ONTARIO INC.	2381438 ONTARIO CORPORATION	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

420

5355 Highway 101, Timmins

Ontario ServiceOntario

LAND REGISTRY OFFICE #6

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

65441-0378 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:38:50

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: LOCATION AL 937, PT OF UNSUBDIVIDED TOWNSHIP OF OGDEN PT 1 6R1692 EXCEPT LOCATION RY 310 PT 1 6R6276, PT LOCATION AL 937 PT 1 & 2 6R3171, PT 2 6R7487 RESERVING ALL ORES, MINES OR MINERALS WHICH ARE OR SHALL HEREAFTER BE FOUND ON OR UNDER SAID LAND; S/T EASEMENT OVER PT 1 6R7487 AS IN CB13261; CITY OF TIMMINS

PROPERTY REMARKS: CROWN GRANT SEE CPCB10471

ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE

RECENTLY: DIVISION FROM 65441-0375

PIN CREATION DATE: 2006/02/14

OWNERS' NAMES: CANADIAN LAND CORPORATION

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2006/02/14 **						
6R1692	1972/04/21	PLAN REFERENCE				C
C374779	1988/09/27	NOTICE				C
REMARKS: LEASEHOLD INTEREST						
C486636	1998/09/30	CHARGE		*** DELETED AGAINST THIS PROPERTY ***	BANK OF MONTREAL	
REMARKS: U. S. FUNDS LEASEHOLD INTEREST LEASEHOLD INTEREST ENTERED IN ERROR						
6R7338	2000/02/10	PLAN REFERENCE				C
C505851	2000/10/12	CHARGE		*** COMPLETELY DELETED ***	BANK OF MONTREAL	
REMARKS: U. S. FUNDS LEASEHOLD INTEREST LEASEHOLD INTEREST ENTERED IN ERROR						
6R7487	2001/03/28	PLAN REFERENCE				C
CB10471	2005/08/22	CROWN PATENT		*** DELETED AGAINST THIS PROPERTY *** HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF NATURAL RESOURCES	GRANT FOREST PRODUCTS INC.	
CB12821	2005/10/28	CHARGE		*** DELETED AGAINST THIS PROPERTY *** GRANT FOREST PRODUCTS INC.	THE TORONTO-DOMINION BANK	
REMARKS: U.S. FUNDS						
CB13261	2005/11/10	TRANSFER EASEMENT	$1	GRANT FOREST PRODUCTS INC.	HYDRO ONE NETWORKS INC.	C
REMARKS: PT 1 6R7487						
CB15206	2006/01/26	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BANK OF MONTREAL	HYDRO ONE NETWORKS INC.	
REMARKS: C486636 TO CB13261						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CB15207	2006/01/26	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BANK OF MONTREAL	HYDRO ONE NETWORKS INC.	
REMARKS: C505851 TO CB13261 DELETED BY CB17205						
CB15208	2006/01/26	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** THE TORONTO-DOMINION BANK	HYDRO ONE NETWORKS INC.	
REMARKS: CB12821 TO CB13261						
CB17204	2006/04/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
REMARKS: RE· C486636						
CB17205	2006/04/11	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
REMARKS: RE: C505851						
CB27695	2007/03/21	CHARGE		*** COMPLETELY DELETED *** GRANT FOREST PRODUCTS INC.	THE TORONTO-DOMINION BANK	
REMARKS: U.S. FUNDS						
CB27696	2007/03/21	CHARGE		*** COMPLETELY DELETED *** GRANT FOREST PRODUCTS INC.	THE TORONTO-DOMINION BANK	
REMARKS: U.S. FUNDS						
CB50374	2009/01/22	LR'S ORDER		*** COMPLETELY DELETED *** LAND REGISTRAR, LRO #06	LAND REGISTRAR, LRO #06	
CB52060	2009/04/06	CHARGE		*** COMPLETELY DELETED *** GRANT FOREST PRODUCTS INC.	THE TORONTO-DOMINION BANK	
REMARKS: U.S. FUNDS						
CB52061	2009/04/06	CHARGE		*** COMPLETELY DELETED *** GRANT FOREST PRODUCTS INC.	THE TORONTO DOMINION BANK	
REMARKS: U.S. FUNDS						
CB52653	2009/05/01	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK	THE BANK OF NEW YORK MELLON	
REMARKS: CB27696						
CB52654	2009/05/01	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO DOMINION BANK	THE BANK OF NEW YORK MELLON	
REMARKS: CB52061						

Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND REGISTRY OFFICE #6

65441-0378 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:38:50

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CB78253	2011/10/11	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	EDS DECOMMISSIONING CANADA INC.	C
CB78333	2011/10/13	APL VESTING ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	CANADIAN LAND CORPORATION	C
CB78334	2011/10/13	CHARGE	$300,000	CANADIAN LAND CORPORATION	CANADA CAPITAL CORPORATION INC.	C
CB81911	2012/02/21	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** J. LOGAN KERR LIMITED COB AS KERR CRANE SERVICE		
CB82685	2012/03/26	CERTIFICATE		*** COMPLETELY DELETED *** J. LOGAN KERR LIMITED COB KERR CRANE SERVICE	EDS DECOMMISSIONING CANADA INC. CANADIAN LAND CORPORATION CANADA CAPITAL CORPORATION INC.	
REMARKS: CB81911						
CB82894	2012/04/02	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** J. LOGAN KERR LIMITED COB AS KERR CRANE SERVICE		
REMARKS: CB81911.						
CB98804	2013/10/01	CHARGE	$500,000	CANADIAN LAND CORPORATION	CANADA CAPITAL CORPORATION INC.	C
CB116819	2015/09/03	CERT TAX ARREARS		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF TIMMINS		
CB121118	2016/03/04	CHARGE	$2,372,500	CANADIAN LAND CORPORATION	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
CB121119	2016/03/04	POSTPONEMENT		CANADA CAPITAL CORPORATION INC.	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
REMARKS. CB78334 TO CB121118						
CB121120	2016/03/04	POSTPONEMENT		CANADA CAPITAL CORPORATION INC.	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
REMARKS: CB98804 TO CB121118						
CB122780	2016/05/16	TRANSFER OF CHARGE		CANADA CAPITAL CORPORATION INC.	CURAH CAPITAL CORPORATION	C
REMARKS: CB78334.						
CB122781	2016/05/16	TRANSFER OF CHARGE		CANADA CAPITAL CORPORATION INC	CURAH CAPITAL CORPORATION	C
REMARKS. CB98804.						
CB125414	2016/08/25	CT TAX ARREAR CANC		*** COMPLETELY DELETED *** THE CORPORATION OF THE CITY OF TIMMINS		
REMARKS: CB116819.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
CB134498	2017/09/06	CHARGE	$400,000	CANADIAN LAND CORPORATION	GREENVIEW CAPITAL MORTGAGE INVESTMENT CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

424

1107 Lakeshore Rd.
South, Temiskaming

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

Ontario ServiceOntario

LAND REGISTRY OFFICE #54

61347-0434 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:41:27

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT NLY PT LT 10 CON 5 BUCKE AS IN NND1035 EXCEPT PT 1 54R2391, PT 7, 9 & 10 54R2533 SURFACE RIGHTS ONLY , PT 1 54R2573 SURFACE RIGHTS ONLY; T/W PT 1 54R3285 AS IN LT261674; TEMISKAMING SHORES ; DISTRICT OF TIMISKAMING, TOGETHER WITH AN EASEMENT OVER PT 1 54R5557 AS IN DT31882

PROPERTY REMARKS: CROWN GRANT SEE NP2933.

ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE

RECENTLY: DIVISION FROM 61347-0204

PIN CREATION DATE: 2011/10/21

OWNERS' NAMES: MANSTEEL NEW LISKEARD INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2011/10/21 ***						
LT215041	1981/01/28	NOTICE				C
54R2489	1982/07/20	PLAN REFERENCE				C
54R2533	1983/01/05	PLAN REFERENCE				C
54R2573	1983/04/25	PLAN REFERENCE				C
LT228340	1983/12/22	NOTICE				C
LT249409	1987/12/08	RELEASE				C
LT295094	1996/11/20	CERTIFICATE				C
REMARKS: PROHIBITION OF ENVIRONMENTAL PROTECTION ACT						
DT25130	2010/07/09	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** UNIBOARD NEW LISKEARD INC.	UNIBOARD CANADA INC.	
DT28837	2011/03/24	APL ANNEX REST COV		UNIBOARD CANADA INC.		C
DT35724	2012/06/19	TRANSFER	$2	UNIBOARD CANADA INC.	MANSTEEL NEW LISKEARD INC.	C
REMARKS: PLANNING ACT STATEMENTS						
DT41512	2013/07/30	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** PRIESTLY DEMOLITION INC.		
DT42169	2013/09/13	CHARGE	$300,000	MANSTEEL NEW LISKEARD INC.	CANADA CAPITAL CORPORATION INC.	C
DT42987	2013/10/29	NO CHNG ADDR OWNER		MANSTEEL NEW LISKEARD INC.		C
DT44116	2014/01/16	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED *** PRIESTLY DEMOLITION INC.		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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Ontario ServiceOntario

LAND REGISTRY OFFICE #54

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

61347-0434 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:41:27

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS. DT41512.						
DT45528	2014/05/26	APL (GENERAL)		SUPERIOR COURT OF JUSTICE		C
REMARKS: CERTIFICATE OF PENDING LITIGATION						
DT48892	2015/02/06	CONSTRUCTION LIEN	$229,290	JAMES LATHEM EXCAVATING LIMITED		C
DT49374	2015/03/20	CERTIFICATE		JAMES LATHEM EXCAVATING LIMITED		C
REMARKS: DT48892 CERTIFICATE OF ACTION						
DT55580	2016/07/13	CHARGE	$3,475,000	MANSTEEL NEW LISKEARD INC.	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
DT55581	2016/07/13	NO ASSGN RENT GEN		MANSTEEL NEW LISKEARD INC.	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
REMARKS: DT55580						
DT56077	2016/08/24	TRANSFER OF CHARGE		CANADA CAPITAL CORPORATION INC.	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
REMARKS: DT42169.						
DT60392	2017/09/06	CHARGE	$400,000	MANSTEEL NEW LISKEARD INC.	GREENVIEW CAPITAL MORTGAGE INVESTMENT CORPORATION	C
DT64772	2018/09/21	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	JAMES LATHEM EXCAVATING LIMITED	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP

426

293 Euclid Ave,
Toronto

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

Ontario ServiceOntario

LAND
REGISTRY
OFFICE #66

21249-0077 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:16:37

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 108 PL 314 TORONTO AS IN CA758318; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2003/06/23

OWNERS' NAMES
2450531 ONTARIO INC

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/06/20 ***						
***SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:*						
****	*SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES **					
****	*AND ESCHEATS OR FORFEITURE TO THE CROWN.*					
****	*THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF*					
****	*IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY*					
****	*CONVENTION.*					
****	*ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES*					
***DATE OF CONVERSION TO LAND TITLES: 2003/06/23 ***						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
CA758318	2002/02/04	TRANSFER		*** COMPLETELY DELETED ***	REGO, PAOLO	
CA758319	2002/02/04	CHARGE		*** COMPLETELY DELETED ***	SCOTIA MORTGAGE CORPORATION	
CA793412	2002/12/02	CHARGE		*** COMPLETELY DELETED ***	BEDFORD CAPITAL	
CA793413	2002/12/02	ASSIGNMENT GENERAL		*** COMPLETELY DELETED ***		
REMARKS: RENTS CA793412						
CA799794	2003/03/11	TRANSFER OF CHARGE		*** COMPLETELY DELETED ***	B2B TRUST IN TRUST FOR RRSP/RRIF #B639361	
REMARKS: CA793412						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT441753	2004/03/26	CHARGE		*** COMPLETELY DELETED *** REGO, PAOLO	THE BANK OF NOVA SCOTIA	
AT452037	2004/04/07	TRANSFER		*** COMPLETELY DELETED *** REGO, PAOLO	REGO, PAULO GENTILE, ROSITA	
AT480809	2004/05/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** B2B TRUST IN TRUST FOR RRSP/RRIF #B639361		
REMARKS: RE: CA793412						
AT489705	2004/05/19	NOTICE		*** COMPLETELY DELETED *** REGO, PAULO GENTILE, ROSITA		
AT490748	2004/05/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** SCOTIA MORTGAGE CORPORATION		
REMARKS: RE: CA758319						
AT1397490	2007/03/14	TRANSFER		*** COMPLETELY DELETED *** GENTILE, ROSITA REGO, PAULO	REGO, PAULO	
AT1707210	2008/02/07	LR'S ORDER		*** COMPLETELY DELETED *** LAND REGISTRAR		
REMARKS: DELETE CA758318						
AT1821758	2008/06/30	TRANSFER		*** COMPLETELY DELETED *** REGO, PAULO	BEVERIDGE, ROBERT	
REMARKS: PLANNING ACT STATEMENTS						
AT1821759	2008/06/30	CHARGE		*** COMPLETELY DELETED *** BEVERIDGE, ROBERT	ROYAL BANK OF CANADA	
AT2185244	2009/09/24	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE BANK OF NOVA SCOTIA		
REMARKS: AT441753.						
AT2855362	2011/10/28	TRANSFER		*** COMPLETELY DELETED *** BEVERIDGE, ROBERT	MACAULAY, KERRI ANN	
REMARKS: PLANNING ACT STATEMENTS						
AT2855363	2011/10/28	CHARGE		*** COMPLETELY DELETED ***		

Ontario ServiceOntario

LAND REGISTRY OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

21249-0077 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				MACAULAY, KERRI ANN	HOME TRUST COMPANY	
AT2874476	2011/11/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: AT1821759.						
AT2971291	2012/03/21	CHARGE		*** COMPLETELY DELETED *** MACAULAY, KERRI ANN	COMPUTERSHARE TRUST COMPANY OF CANADA	
AT3023747	2012/05/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY		
REMARKS: AT2855363.						
AT3145923	2012/10/05	CHARGE		*** COMPLETELY DELETED *** MACAULAY, KERRI ANN	1592106 ONTARIO INC.	
AT3209777	2013/01/04	CHARGE		*** COMPLETELY DELETED *** MACAULAY, KERRI ANN	1592106 ONTARIO INC.	
AT3803296	2015/02/03	CHARGE		*** COMPLETELY DELETED *** MACAULAY, KERRI ANN	MONEY GATE MIC	
AT3803939	2015/02/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1592106 ONTARIO INC.		
REMARKS: AT3145923.						
AT3803940	2015/02/04	DISCH OF CHARGE		*** COMPLETELY DELETED *** 1592106 ONTARIO INC.		
REMARKS: AT3209777.						
AT3832218	2015/03/13	TRANSFER	$2	MACAULAY, KERRI ANN	2450531 ONTARIO INC	C
AT3880352	2015/05/12	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** MONEY GATE MIC	2374715 ONTARIO LIMITED PALEN, REBECCA 1232501 ONTARIO LIMITED MONEY GATE MIC	
REMARKS: AT3803296.						
AT3999558	2015/09/02	TRANSFER OF CHARGE		MONEY GATE MIC	MONEY GATE MIC 2418047 ONTARIO INC	C
REMARKS: AT3880352.						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4329958	2016/09/01	CHARGE	$1,120,000	2450531 ONTARIO INC	HOME TRUST COMPANY	C
AT4329959	2016/09/01	CHARGE		*** COMPLETELY DELETED *** 2450531 ONTARIO INC	MONEY GATE MORTGAGE INVESTMENT CORPORATION	
AT4334571	2016/09/07	DISCH OF CHARGE		*** COMPLETELY DELETED *** MONEY GATE MIC		
REMARKS: AT3803296.						
AT4351413	2016/09/23	DISCH OF CHARGE		*** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA		
REMARKS: AT2971291.						
AT4353611	2016/09/27	DISCH OF CHARGE		*** COMPLETELY DELETED *** MONEY GATE MORTGAGE INVESTMENT CORPORATION		
REMARKS: AT4329959.						
AT4353622	2016/09/27	CHARGE	$282,500	2450531 ONTARIO INC	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
AT4526574	2017/03/31	CAUTION-LAND	$2	2450531 ONTARIO INC	GHAFFARI, BITA	C
AT4595731	2017/06/13	CERTIFICATE		*** COMPLETELY DELETED *** GHAFFARI, BITA		
REMARKS: CERTIFICATE OF PENDING LITIGATION						
AT4671418	2017/08/31	APL COURT ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	2450531 ONTARIO INC.	
REMARKS: DELETE LIS PENDENS AT4595731						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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430

558 Dovercourt Rd.
Toronto

Ontario ServiceOntario

LAND
REGISTRY
OFFICE #66

21281-0074 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:18:57

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT LT 24 PL D262 TORONTO AS IN CA474878; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2003/04/28

OWNERS' NAMES
2546456 ONTARIO INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2003/04/25 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
**	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *					
**	AND ESCHEATS OR FORFEITURE TO THE CROWN.					
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF					
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.					
**DATE OF CONVERSION TO LAND TITLES: 2003/04/28 **						
CA474878	1997/05/30	TRANSFER		*** COMPLETELY DELETED ***	SILVA, EZEQUIEL MENDONCA, MARGARET SILVA, LIDIA	
CA753456	2001/12/19	CHARGE		*** COMPLETELY DELETED ***	FIRST NATIONAL FINANCIAL CORPORATION	
AT445369	2004/03/31	CHARGE		*** COMPLETELY DELETED *** MENDONCA, MARGARET SILVA, EZEQUIEL SILVA, LIDIA	ROYAL BANK OF CANADA	
AT1439622	2007/05/04	CHARGE		*** COMPLETELY DELETED *** MENDONCA, MARGARET SILVA, EZEQUIEL SILVA, LIDIA	ROYAL BANK OF CANADA	
AT1480698	2007/06/21	DISCH OF CHARGE		*** COMPLETELY DELETED ***		

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				ROYAL BANK OF CANADA		
REMARKS: RE: AT1445369						
AT1977922	2008/12/18	CHARGE		*** COMPLETELY DELETED *** SILVA, EZEQUIEL SILVA, MARGARET MENDONCA, MARGARET SILVA, LIDIA	PARLIAMENT CASTLE BUILDERS OF CANADA (2004) LTD.	
AT2026969	2009/03/10	DISCH OF CHARGE		*** COMPLETELY DELETED *** PARLIAMENT CASTLE BUILDERS OF CANADA (2004) LTD.		
REMARKS: RE: AT1977922						
AT3471420	2013/12/05	TRANSFER		*** COMPLETELY DELETED *** MENDONCA, MARGARET SILVA, EZEQUIEL	SILVA, LIDIA	
AT3471421	2013/12/05	CHARGE		*** COMPLETELY DELETED *** SILVA, LIDIA	FIRST NATIONAL FINANCIAL GP CORPORATION	
AT3540564	2014/03/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** FIRST NATIONAL FINANCIAL CORPORATION		
REMARKS: CA753456.						
AT3540573	2014/03/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
REMARKS: AT1439622.						
AT4527558	2017/04/03	TRANSFER	$1,900,000	SILVA, LIDIA	2546456 ONTARIO INC.	C
AT4527566	2017/04/03	CHARGE	$1,450,000	2546456 ONTARIO INC.	B & M HANDELMAN INVESTMENTS LIMITED HANDELMAN, CAROL YERUSHA INVESTMENTS INC BAMBURGH HOLDINGS LTD. POLLOCK, RONALD POLLOCK, JUDY CANDID OPINION LTD. SABO PROPERTIES LIMITED STERN, NECHAMA POLLAK, CHARLES POLLAK, NANCY RUBINOFF, MENDEL RUBINOFF, JUDY	C

Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND REGISTRY OFFICE #66

21281-0074 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:18:57

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					THE BANK OF NOVA SCOTIA TRUST COMPANY GRUNEIR, WENDY 1031436 ONTARIO INC	
AT4527567	2017/04/03	NO ASSGN RENT GEN		2546456 ONTARIO INC.	B & M HANDELMAN INVESTMENTS LIMITED HANDELMAN, CAROL YERUSHA INVESTMENTS INC. BAMBURGH HOLDINGS LTD POLLOCK, RONALD POLLOCK, JUDY CANDID OPINION LTD. SABO PROPERTIES LIMITED STERN, NECHAMA POLLAK, CHARLES POLLAK, NANCY RUBINOFF, MENDEL RUBINOFF, JUDY THE BANK OF NOVA SCOTIA TRUST COMPANY GRUNEIR, WENDY 1031436 ONTARIO INC.	C
REMARKS: AT4527566						
AT4544910	2017/04/25	DISCH OF CHARGE		*** COMPLETELY DELETED *** FIRST NATIONAL FINANCIAL GP CORPORATION		
REMARKS: AT3471421.						
AT4588484	2017/06/05	CHARGE	$611,000	2546456 ONTARIO INC.	MONEY GATE MORTGAGE INVESTMENT CORPORATION	C
AT4925847	2018/08/01	APL COURT ORDER		ONTARIO SUPERIOR COURT OF JUSTICE	2546456 ONTARIO INC	C

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP

433

4 Birchmount Road,
Toronto

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

Ontario ServiceOntario

LAND
REGISTRY
OFFICE #66

06511-0222 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:26:09

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PT S PT LT 31 CON A SCARBOROUGH AS IN TB239320; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2000/11/27

OWNERS' NAMES: KIELBURGER, FRED

CAPACITY: ROWN

SHARE:

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/11/24 ***						
***SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:*						
*** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES **						
*** AND ESCHEATS OR FORFEITURE TO THE CROWN.*						
*** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF*						
*** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY*						
*** CONVENTION.*						
*** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.*						
***DATE OF CONVERSION TO LAND TITLES: 2000/11/27 ***						
TB239320	1985/05/01	TRANSFER		*** COMPLETELY DELETED ***	STEPHENSON, GARY EDWARD STEPHENSON, MAE	
CA508373	1997/11/14	CHARGE		*** COMPLETELY DELETED ***	CANADIAN IMPERIAL BANK OF COMMERCE	
E439970	2001/08/01	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
REMARKS: RE: CA508373						
E439971	2001/08/01	CHARGE		*** COMPLETELY DELETED *** STEPHENSON, GARY EDWARD STEPHENSON, MAE	CANADIAN IMPERIAL BANK OF COMMERCE	
AT1266685	2006/09/27	TRANSFER		*** COMPLETELY DELETED *** STEPHENSON, GARY EDWARD STEPHENSON, MAE	DROTOS, LOREN DROTOS, CHRISTINE	
REMARKS: PLANNING ACT STATEMENT						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1266787	2006/09/27	CHARGE		*** COMPLETELY DELETED *** DROTOS, LOREN DROTOS, CHRISTINE	HOME TRUST COMPANY	
AT1283663	2006/10/18	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
REMARKS: RE: E439971						
AT1462939	2007/06/01	NOTICE	$2	CITY OF TORONTO	DROTOS, LOREN DROTOS, CHRISTINE	C
AT1529973	2007/08/03	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** BEL AIR LUMBER INC.		
AT1575471	2007/09/14	CERTIFICATE		*** COMPLETELY DELETED *** BEL AIR LUMBER INC	ONTARIO SUPERIOR COURT OF JUSTICE	
REMARKS: AT1529973						
AT1599216	2007/10/09	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** METRO ROOFING INC.		
AT1611712	2007/10/23	CAUTION-LAND		*** COMPLETELY DELETED *** DROTOS, CHRISTINE DROTOS, LOREN BARLOW, GILBERT BARLOW, LORRAINE	BIG H GROUP LTD.	
AT1639211	2007/11/20	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	METRO ROOFING INC.	
REMARKS: RE: AT1599216						
AT1641552	2007/11/22	WITHDRAWAL CAUTION		*** COMPLETELY DELETED ***	BIG H GROUP LTD.	
REMARKS: RE: AT1611712						
AT1641553	2007/11/22	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	BEL AIR LUMBER INC.	
REMARKS: RE: AT1529973						
AT1641554	2007/11/22	CHARGE		*** COMPLETELY DELETED *** DROTOS, CHRISTINE DROTOS, LOREN	BIG H GROUP LTD.	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1641555	2007/11/22	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** DROTOS, LOREN DROTOS, CHRISTINE	BIG H GROUP LTD.	
REMARKS: RENTS-AT1641554						
AT1661156	2007/12/12	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** CRUZ, HENRY		
AT1671813	2007/12/21	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	CRUZ, HENRY	
REMARKS: RE: AT1661156						
AT1730412	2008/03/11	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** PURDY, JEREMY		
AT1736670	2008/03/20	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	PURDY, JEREMY	
REMARKS: RE: AT1730412						
AT1737434	2008/03/20	TRANSFER		*** COMPLETELY DELETED *** DROTOS, CHRISTINE DROTOS, LOREN	DROTOS, CHRISTINE	
AT1776389	2008/05/09	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** PELLA WINDOWS & DOORS OF ONTARIO, CORP.		
AT1788468	2008/05/27	CHARGE		*** COMPLETELY DELETED *** DROTOS, CHRISTINE	B & M HANDELMAN INVESTMENTS LIMITED FLORDALE HOLDINGS LIMITED M. HIMEL HOLDINGS INC 1530468 ONTARIO LTD MAXOREN INVESTMENTS INC SHEILACO INVESTMENTS INC.	
AT1795669	2008/06/02	DISCH OF CHARGE		*** COMPLETELY DELETED *** BIG H GROUP LTD.		
REMARKS: RE: AT1641554						
AT1802167	2008/06/10	DIS CONSTRUCT LIEN		*** COMPLETELY DELETED ***	PELLA WINDOWS & DOORS OF ONTARIO, CORP.	
REMARKS: RE: AT1776389						

Ontario ServiceOntario

LAND REGISTRY OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

06511-0222 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:26:09

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT1917893	2008/10/07	CHARGE		*** COMPLETELY DELETED *** DROTOS, CHRISTINE	DMS INC.	
AT1965090	2008/12/02	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** DMS INC.	2176506 ONTARIO INC.	
	REMARKS: AT1917893					
AT2148973	2009/08/14	CHARGE		*** COMPLETELY DELETED *** DROTOS, CHRISTINE	BARLOW, LORRAINE BARLOW, GILBERT	
AT2357911	2010/04/22	APL (GENERAL)		*** COMPLETELY DELETED *** WATERLOO STANDARD CONDOMINIUM CORPORATION NO.424		
	REMARKS: CERTIFICATE OF PENDING LITIGATION					
AT2439382	2010/07/07	CAUTION LND BKRUPT		*** COMPLETELY DELETED *** DROTOS, CHRISTINE	SEGAL PARTNERS INC.	
AT3001170	2012/04/27	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** 2176506 ONTARIO INC.	WORLD FINANCE CORPORATION	
	REMARKS: AT1917893. AT1965090					
AT3774453	2014/12/23	CERT TAX ARREARS		*** COMPLETELY DELETED *** CITY OF TORONTO		
AT3875540	2015/05/05	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY	PILLAR CAPITAL CORPORATION	
	REMARKS: AT1266787					
AT4101615	2015/12/21	CT TAX ARREAR CANC		*** COMPLETELY DELETED *** PILLAR CAPITAL CORPORATION		
	REMARKS: AT3774453. LIEN					
AT4355195	2016/09/28	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	WATERLOO STANDARD CONDOMINIUM	
	REMARKS: DELETE AT2357911					
AT4749651	2017/12/01	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** WORLD FINANCE CORPORATION	MONEY GATE MORTGAGE INVESTMENT CORPORATION	
	REMARKS: AT3001170.					
AT4821129	2018/03/14	CAUTION-LAND		*** COMPLETELY DELETED *** DROTOS, CHRISTINE	B&M HANDELMAN INVESTMENTS LIMITED	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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Ontario ServiceOntario

LAND
REGISTRY
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

06511-0222 (LT)

PREPARED FOR CCPellerin
ON 2018/10/30 AT 12:26:09

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
-					FLORDALE HOLDINGS LIMITED M. HIMEL HOLDINGS INC. 1530468 ONTARIO LTD MAXOREN INVESTMENTS INC SHEILACO INVESTMENTS INC.	
AT4888247	2018/06/15	APL VESTING ORDER		ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	KIELBURGER, FRED	C
REMARKS: COURT ORDERS CLAIMS TO BE EXPUNGED FROM TITLE FROM PIN 06511-0222 - AT1266787, AT1737434, AT1788468, AT1917893, AT1965090, AT2148973, AT1439382, AT3001170, AT3875540, AT4101615, AT4749651, AT4821129						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

This is Exhibit "BB" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

MONEY GATE MORTGAGE INVESTMENT CORPORATION
Account Number 5407640 - 1085

SEQ#	ACCT#	BR#	POSTING BR# (if 0 use BR#)	POSTING DATE (yyyymmdd)	AMOUNT	CR / DR	DESCRIPTION	BALANCE	COMMENTS
1	5407640	1085	3310	20180815	4,337.00	DR	IOL PAY TO: CRA	1,167,926.90	
2	5407640	1085	0	20180821	49.95	DR	EFT Billing	1,167,876.95	
3	5407640	1085	0	20180827	30,000.00	DR	CHQ#00122-2142618742	1,137,876.95	
4	5407640	1085	0	20180828	10,145.72	DR	CHQ#00124-1143342024		
5	5407640	1085	0	20180828	8,115.90	DR	CHQ#00123-1143342027	1,119,615.33	
6	5407640	1085	1085	20180830	4,821.68	DR	PRFD-TPMGM10851-0069		
7	5407640	1085	0	20180830	25,000.00	DR	CHQ#00125-2145068227	1,089,793.65	
8	5407640	1085	1085	20180831	7,507.50	DR	CAD DRAFT 85172931		
9	5407640	1085	1085	20180831	10,294.17	DR	CAD DRAFT 85172932		
10	5407640	1085	1085	20180831	39.00	DR	MONTHLY PLAN FEE		
11	5407640	1085	1085	20180831	39.00	CR	ACCT BAL REBATE	1,071,991.98	
12	5407640	1085	1085	20180912	4,821.68	DR	PRFD-TPMGM10851-0070	1,067,170.30	
13	5407640	1085	3310	20180917	4,337.00	DR	IOL PAY TO: CRA	1,062,833.30	
14	5407640	1085	0	20180921	49.95	DR	EFT Billing		
15	5407640	1085	0	20180921	884.32	DR	CHQ#00141-0143891012		
16	5407640	1085	0	20180921	15,000.00	DR	CHQ#00140-3143805539		
17	5407640	1085	0	20180921	51,866.21	DR	CHQ#00138-3143838899	995,032.82	
18	5407640	1085	1085	20180925	4,821.68	DR	PRFD-TPMGM10851-0071	990,211.14	
19	5407640	1085	0	20180926	15,000.00	DR	CHQ#00139-3141534335	975,211.14	
20	5407640	1085	1085	20180928	39.00	DR	MONTHLY PLAN FEE		
21	5407640	1085	1085	20180928	39.00	CR	ACCT BAL REBATE	975,211.14	
22	5407640	1085	0	20181003	10,286.67	DR	CHQ#00126-0144142970	964,924.47	
23	5407640	1085	0	20181012	4,821.68	DR	PRFD-TPMGM10851-0072	960,102.79	
24	5407640	1085	1284	20181018	760,413.26	DR	CAD DRAFT 84727430		
25	5407640	1085	0	20181018	6,309.27	DR	CHQ#00128-3141939689	193,380.26	
26	5407640	1085	0	20181022	49.95	DR	EFT Billing	193,330.31	

Internal

This is Exhibit "CC" referred to in the Affidavit of Louisa Fiorini Sworn before me this 2nd day of November, 2018

....

A Commissioner, etc.

Cheque Item Image

User: Judith Franklin

Request #:		**Request Desc:**	
Transit - FI #:	09612-004	**Account #:**	3808
Sequence #	4144697979	**Amount:**	$760,405.76 CAD
Date:	10/18/2018		

10358 (1215) THIS DOCUMENT IS PRINTED ON WATERMARKED PAPER. SEE BACK FOR INSTRUCTIONS

The Toronto-Dominion Bank 84727430

1470 DON MILLS ROAD
DON MILLS, ON M3B 2X9

DATE 2018-10-18
YYYY/MM/DD

Transit-Serial No. 1284-84727430

Pay to the Order of POQUIZ TRAN LLP IN TRUST $ ****760,405.76

SEVEN HUNDRED SIXTY THOUSAND FOUR HUNDRED FIVE*******************76/100 Canadian Dollars

Authorized signature required for amounts over CAD $5,000.00

Re Alks P' Mly Assignment

The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2

Authorized Officer 27193 Number

Countersigned

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND DRAFTS ON CANADA

⑈84727430⑈ ⑆09612⑉004⑆ ⑈3808⑈

Printer ID#1011F-B

This is watermarked paper and contains invisible fibres. Hold to light to verify watermark

18OCT2018
001 03172
705656990047550
36322-1987461

Endorsement - Signature or Stamp

TDCT OFI 001 TOR
20181018 ISN: 4144697979

BACK/ENDOS

Print Close

This is Exhibit "DD" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....
A Commissioner, etc.

Properties

PIN	11382 - 0412 LT
Description	UNIT 3, LEVEL 30, YORK CONDOMINIUM PLAN NO 382, PT LOT 24 PLAN 1176 & PT WATER LOT IN FRONT OF LOT F BROKEN FRONT RANGE E ON LAKE ONTARIO PTS 1 TO 3, 8, 19, 20, 29, 30, 31A, 31C, 32A, 32C, 33, 34, 35B 66R9423 AS IN SCHEDULE 'A' OF DECLARATION B577469 AMENDED BY B807719; S/T B995378 TO B995380, T/W B995374 TO B995377 ETOBICOKE , CITY OF TORONTO
Address	3103 SUITE 2045 LAKESHORE BLVD WEST TORONTO
PIN	11382 - 0754 LT
Description	UNIT 97, LEVEL B, YORK CONDOMINIUM PLAN NO. 382, PT LOT 24 PLAN 1176 & PT WATER LOT IN FRONT OF LOT F BROKEN FRONT RANGE E ON LAKE ONTARIO PTS 1 TO 3, 8, 19, 20, 29, 30, 31A, 31C, 32A, 32C, 33, 34, 35B 66R9423 AS IN SCHEDULE 'A' OF DECLARATION B577469 AMENDED BY B807719, S/T B995378 TO B995380, T/W B995374 TO B995377 ETOBICOKE , CITY OF TORONTO
Address	3103 UNIT 2045 LAKESHORE BLVD. WEST TORONTO
PIN	11382 - 0755 LT
Description	UNIT 98, LEVEL B, YORK CONDOMINIUM PLAN NO. 382, PT LOT 24 PLAN 1176 & PT WATER LOT IN FRONT OF LOT F BROKEN FRONT RANGE E ON LAKE ONTARIO PTS 1 TO 3, 8, 19, 20, 29, 30, 31A, 31C, 32A, 32C, 33, 34, 35B 66R9423 AS IN SCHEDULE 'A' OF DECLARATION B577469 AMENDED BY B807719; S/T B995378 TO B995380; T/W B995374 TO B995377 ETOBICOKE , CITY OF TORONTO
Address	3103 UNIT 2045 LAKESHORE BLVD WEST TORONTO

Source Instruments

Registration No.	*Date*	*Type of Instrument*
AT3952191	2015 07 20	Charge/Mortgage

Transferor(s)

This transfer of charge affects all lands that the charge is against which are outstanding.

Name	B. & M. HANDELMAN INVESTMENTS LTD.
Address for Service	620 Wilson Avenue, Suite 150, Toronto, Ontario M3K 1Z3 c/o 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2

I, Stephen Handelman, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Name	MACKENZIE, INGRID
Address for Service	5058 Dunbar Street Vancouver, British Columbia V6N 1V6 c/o 1670 Bayview Avenue, Suite 400, Toronto, Ontario M4G 3C2

This document is not authorized under Power of Attorney by this party.

Name	RIDGESTAR DEVELOPMENTS INC
Address for Service	24 Elm Ridge Drive Toronto, Ontario M6B 1A3

I, Anne Kligerman, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party

Transferee(s) *Capacity* *Share*

Name	MONEY GATE MORTGAGE INVESTMENT CORPORATION
Address for Service	Unit 301-1595 16th Avenue Richmond Hill, Ontario

Statements

The chargee transfers the selected charge for $765,326.34

The chargee transfers 100% of the selected charge.

This document relates to registration number(s)AT3952191

Signed By

Lawrence Zimmerman	3338 Dufferin St. Toronto M6A 3A4	acting for Transferor(s)	Signed	2018 10 18

Tel 416-489-8422

Fax 416-489-6222

I have the authority to sign and register the document on behalf of the Transferor(s)

Stephen Andrew A Poquiz	145 Traders Blvd. East, Unit 8A Mississauga L4Z 3L3	acting for Transferee(s)	Signed	2018 10 18

Tel 647-499-4335

Fax 647-499-4308

I have the authority to sign and register the document on behalf of the Transferee(s).

Submitted By

Poquiz Tran LLP	145 Traders Blvd. East, Unit 8A Mississauga L4Z 3L3	2018 10 18

Tel 647-499-4335

Fax 647-499-4308

Fees/Taxes/Payment

Statutory Registration Fee	$63.65
Total Paid	$63 65

File Number

Transferor Client File Number : 15-1041 / MJ

This is Exhibit "EE" referred to
in the Affidavit of Louisa Fiorini
Sworn before me this 2nd day
of November, 2018

....

A Commissioner, etc.

List of Law Firm Payments by MGMIC

No.	Date	Law Firm Payee	Amount	Notation
1	27-Aug-18	Berkow Youd Lou-Farrell Das LLP	$30,000.00	Legal Fees - Retainer
2	28-Aug-18	Steinberg Title Hope & Israel LLP	$10,145.72	Legal Fees - Dovercourt
3	30-Aug-18	Levine, Sherkin, Boussidan Barrisers	$25,000.00	Legal Fees - Retainer
4	21-Sep-18	Steinberg Title Hope & Israel LLP	$15,000.00	On account
5	21-Sep-18	Groia & Company	$51,866.21	Invoice #12245 and past due up to Sep 13th
6	26-Sep-18	Levine, Sherkin, Boussidan Barrisers	$15,000.00	*Nil*
			$147,011.93	

Cheque Item Image

User: Judith Franklin

Request #:		**Request Desc:**	
Transit - FI #:	10852-004	**Account #:**	10855407640
Sequence #	2142618742	**Amount:**	$30,000.00 CAD
Date:	08/27/2018		

MONEY GATE MORTGAGE INVESTMENT CORPORATION
25 MALLARD RD
TORONTO, ON M3B 1S4

000122

DATE 2 0 1 8 - 0 8 - 2 7
Y Y Y Y M M D D

PAY to the order of Berkow Youd Lev-Farrell Dars LLP In Trust $30,000.00

thirty thousand ——— /100 DOLLARS

Canada Trust
BEAVER CREEK COMMERCIAL BANKING CENTRE
220 COMMERCE VALLEY DR W UNIT 100
MARKHAM, ONTARIO L3T 0A8.

MONEY GATE MORTGAGE INVESTMENT CORPORATION

PER

PER

RE Legal Fees - Retainer

⑈000122⑈ ⑆10852⑉004⑆ 1085⑉5407640⑈

Printer ID# 1021

Endorsement - Signature or Stamp

20180827
Trotsa3
1020 00999055
2244821984 00000000019922343656

TDCT BRN 10202 TOR
20180827 ISN: 2142618742
CR 19922-343656

BACK/VERSO

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Cheque Item Image

User: Judith Franklin

Request #:		**Request Desc:**	
Transit - FI #:	10852-004	**Account #:**	10855407640
Sequence #	1143342024	**Amount:**	$10,145.72 CAD
Date:	08/28/2018		

MONEY GATE MORTGAGE INVESTMENT CORPORATION
25 MALLARD RD
TORONTO, ON M3B 1S4

000124

DATE 2018-08-27
Y Y Y Y M M D D

PAY to the order of Steinberg Title Hope & Israel LLP $10,145.72

ten thousand one hundred 72/100 DOLLARS

TD Canada Trust
BEAVER CREEK COMMERCIAL BANKING CENTRE
220 COMMERCE VALLEY DR W UNIT 100
MARKHAM, ONTARIO L3T 0A8

MONEY GATE MORTGAGE INVESTMENT CORPORATION

PER

PER

RE Legal fees - Dovercourt

⑈000124⑈ ⑆10852⑉004⑆ 1085⑉5407640⑈

Printer ID# 1021

STEINBERG TITLE GENERAL ACCOUNT 39962-1000-454

28082018
39962-001 1000454
3241479 001424

Endorsement - Signature or Stamp

1800498

TDCT OFI 001 TOR
20180828 ISN: 1143342024

BACK/VERSO

Print Close

Cheque Item Image

User: Judith Franklin

Request #:		**Request Desc:**	
Transit - FI #:	10852-004	**Account #:**	10855407640
Sequence #	2145068227	**Amount:**	$25,000.00 CAD
Date:	08/30/2018		

MONEY GATE MORTGAGE INVESTMENT CORPORATION
25 MALLARD RD
TORONTO, ON M3B 1S4

000125

DATE 2018-08-28
Y Y Y Y M M D D

PAY to the order of Levine, Sherkin, Boussidan Barristers In Trust $25,000.00

Twenty five thousand — 0/100 DOLLARS

TD Canada Trust
BEAVER CREEK COMMERCIAL BANKING CENTRE
220 COMMERCE VALLEY DR W UNIT 100
MARKHAM, ONTARIO L3T 0A8

MONEY GATE MORTGAGE INVESTMENT CORPORATION

PER

PER

RE Legal Fees - retainer

⑈000125⑈ ⑆10852⑉004⑆ 1085⑉5407640⑈

Negotiating Institution: RBC ROYAL BANK
Deposit Transit Number: 02874-003
Account Number: 1014695
Date (YYYYMMDD): 20180830
Item Sequence Number: 9633576322

Printer ID# 1021

MDC ATMID: Y597
Envelope #: 699

Endorsement - Signature or Stamp

TDCT OFI 003 TOR
20180830 ISN: 2145068227

BACK/VERSO

Print Close

Cheque Item Image

User: Judith Franklin

Request #:		**Request Desc:**	
Transit - FI #:	10852-004	**Account #:**	10855407640
Sequence #	3143805539	**Amount:**	$15,000.00 CAD
Date:	09/21/2018		

MONEY GATE MORTGAGE INVESTMENT CORPORATION
25 MALLARD RD
TORONTO, ON M3B 1S4

000140

DATE 2018-09-20
Y Y Y Y M M D D

PAY to the order of Steinberg Title Hope & Israel LLP in Trust $ 15,000

Fifteen Thousand Dollars Only ___ /100 DOLLARS

TD Canada Trust
BEAVER CREEK COMMERCIAL BANKING CENTRE
220 COMMERCE VALLEY DR W UNIT 100
MARKHAM, ONTARIO L3T 0A8

MONEY GATE MORTGAGE INVESTMENT CORPORATION

PER

PER

RE On Account

⑈000140⑈ ⑆10852⑉004⑆ 1085⑉5407640⑈

Printer ID# 10214

21092018
39962-001 1000454
3241479 004862

Endorsement - Signature or Stamp

STEINBERG TITLE
GENERAL ACCOUNT
39962-1000-454

1700878
1800773
1700894

TDCT OFI 001 TOR
20180921 ISN: 3143805539
BACK/VERSO

Print Close

Cheque Item Image

User: Judith Franklin

Request #:		**Request Desc:**	
Transit - FI #:	10852-004	**Account #:**	10855407640
Sequence #	3143838899	**Amount:**	$51,866.21 CAD
Date:	09/21/2018		

MONEY GATE MORTGAGE INVESTMENT CORPORATION
25 MALLARD RD
TORONTO, ON M3B 1S4

000138

DATE 2018-09-20
Y Y Y Y M M D D

PAY to the order of Groia & Company in Trust $ 51,866.21

Fifty Thousand eight hundred sixty six and 21/100 DOLLARS

TD Canada Trust
BEAVER CREEK COMMERCIAL BANKING CENTRE
220 COMMERCE VALLEY DR W UNIT 100
MARKHAM, ONTARIO L3T 0A8

MONEY GATE MORTGAGE INVESTMENT CORPORATION

PER

PER

RE invoice #10245 and Past Due up to Sept. 13th.

⑈000138⑈ ⑆10852⑉004⑆ 1085⑉5407640⑈

QXN47 222797406066
80002-002 8740615
Scotiabank
SCOTIA PLAZA

21-Sep-2018
8740615 80002-002
80002 1110519

Printer ID# 1021

Endorsement - Signature or Stamp

TDCT OFI 002 TOR
20180921 ISN: 3143838899
BACK/VERSO

65052-002 BNS
CIDC Toronto ON
21-Sep-2018
2220795374

Print | Close

Cheque Item Image

User: Judith Franklin

Request #:		**Request Desc:**	
Transit - FI #:	10852-004	**Account #:**	10855407640
Sequence #	3141534335	**Amount:**	$15,000.00 CAD
Date:	09/26/2018		

MONEY GATE MORTGAGE INVESTMENT CORPORATION
25 MALLARD RD
TORONTO, ON M3B 1S4

000139

DATE 2018-09-20
Y Y Y Y M M D D

PAY to the order of Levine Sherkin Boussidan P.C. in Trust $ 15,000.00

Fifteen Thousand Dollars only ___/100 DOLLARS

TD Canada Trust
BEAVER CREEK COMMERCIAL BANKING CENTRE
220 COMMERCE VALLEY DR W UNIT 100
MARKHAM, ONTARIO L3T 0A8

MONEY GATE MORTGAGE INVESTMENT CORPORATION

PER

PER

RE

⑈000139⑈ ⑆10852⑉004⑆ 1085⑉5407640⑈

Negotiating Institution: RBC ROYAL BANK
Deposit Transit Number: 02874-003
Account Number: 1014695
Date (YYYYMMDD): 20180926
Item Sequence Number: 9636024063

Printer ID# 1021

MDC ATMID: Y597
Envelope #: 902

Endorsement - Signature or Stamp

TDCT OFI 003 TOR
20180926 ISN: 3141534335

BACK/VERSO

Print Close

This is Exhibit "FF" referred to in the Affidavit of Louisa Fiorini Sworn before me this 2nd day of November, 2018

....

A Commissioner, etc.

Ontario

Ontario Securities Commission | Commission des valeurs mobilières de l'Ontario | 22nd Floor 20 Queen Street West Toronto ON M5H 3S8 | 22e étage 20, rue queen ouest Toronto ON M5H 3S8

Phone: 416-263-7653
Fax: 416-593-2319
Web site: www.osc.gov.on.ca

IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED

- and -

IN THE MATTER OF MONEY GATE MORTAGE INVESTMENT CORPORATION

FREEZE DIRECTION

(Subsection 126(1))

TO: Branch Manager
The Toronto Dominion Bank
220 Commerce Valley Drive – Unit 100
Markham, Ontario L3T 0A8

RE: 1. Money Gate Mortgage Investment Corporation

All Accounts and Sub Accounts under Nos. (1) 5407640 – 1085

TAKE NOTICE THAT pursuant to subsection 126(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") you are hereby directed to retain all funds, securities or property that you may have on deposit or under your control or for safekeeping in the name of or otherwise under the control of **MONEY GATE MORTGAGE INVESTMENT CORPORATION** including any funds, securities or property on deposit in accounts with the following numbers:

5407640 – 1085

or any other account, and hold them until the Ontario Securities Commission in writing revokes or varies this Freeze Direction or consents to release a particular fund, security or property from this Freeze Direction or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE THAT this Freeze Direction applies to any and all funds, securities or property in a recognized clearing agency and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE THAT this Freeze Direction may be served by fax or courier to the last known address of the parties named in this Freeze Direction in the records of The Toronto Dominion Bank.

DATED at Toronto this 29th day of October, 2018.

Vice-Chair

ONTARIO SECURITIES COMMISSION
Applicant

- AND -

MONEY GATE MORTGAGE INVESTMENT CORPORATION
Respondent

Court File No. CV-18-00608086-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

APPLICATION RECORD OF THE ONTARIO SECURITIES COMMISSION
(Sections 126 and 129 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended)

Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, ON M5H 3S8

Jamie Gibson (LSO6288580)
Tel: 416-263-3783

Dihim Emami (LSO 57402S)
Tel: 416-596-4253
Fax: 416-593-2319

Counsel for the Ontario Securities Commission