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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 129 OF THE SECURITIES ACT R.S.O. 1990, c. S.5, AS AMENDED

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

SECOND REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE RESPONDENTS

May 9, 2019

GrantThornton

Grant Thornton Limited
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Toronto, Ontario
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Doc#4470281v1

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B E T W E E N:

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Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

Application under Section 129 of the *Securities Act,* R.S.O. 1990, C.S.5, as amended

SECOND REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE RESPONDENT

May 9, 2019

INTRODUCTION

1. This Report is filed by Grant Thornton Limited ("**GTL**") in its capacity as the receiver (the "**Receiver**") over the property, assets and undertakings of Money Gate Mortgage Investment Corporation ("**MGMIC**"). GTL was appointed Receiver on November 6, 2018 on an application of the Ontario Securities Commission (the "**OSC**") pursuant to an order of the Honourable Mr. Justice Hainey, as amended (collectively, the "**Appointment Order**"). as **Appendix "A"**.

2. MGMIC is a mortgage investment corporation that lends money to borrowers, which loans are secured by mortgages, and/or acquires mortgages registered against commercial and residential properties. The current mortgage portfolio of MGMIC involves seven mortgages registered against properties located in the province of Ontario.[1]

3. 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 on secured basis or were used to acquire an interest in existing mortgages.

4. 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.

5. Morteza Katebian, also known as Ben Katebian ("**Ben**") and Payam Katebian ("**Payam**", and together with Ben, the "**Principals**") were each a director, officer and directing mind of MGMIC and MGC.

6. Detailed background information pertaining to MGMIC's business operations, including the circumstances leading to the appointment of the Receiver, are contained in the affidavit of Louisa Fiorini sworn November 2, 2018 (the "**Fiorini Affidavit**"), filed in support of the receivership application. A copy of the Fiorini Affidavit, without exhibits, is attached hereto as **Appendix "B"**.

7. On November 19, 2018, on an *ex parte* motion made by the Receiver, the Court issued an order (the "**November 19th Order**"), among other things:

[1] A number of these mortgages have been discharged either through a power of sale proceeding or by registration of a vesting order by a receiver appointed to sell these properties. As described in greater detail herein, GTL in its capacity as the Receiver of MGMIC continues to assert a security interest in the proceeds from the sale of those properties.

(a) compelling Toronto-Dominion Bank and TD Canada Trust (collectively, "**TD**") to freeze and prevent the removal or transfer of monies or assets from accounts held by Ben and 2399029 Ontario Inc. ("**239 Ontario**"), a company owned, directly or indirectly, and controlled by Ben (the "**Principals' Bank Accounts**");

(b) ordering Ben and 239 Ontario to provide the Receiver with all books, records, documents, papers, and information of any kind whatsoever (the "**Records**") pertaining to the $1.2 million received with respect to the Birchmount Mortgage (as defined herein); and

(c) ordering TD to disclose and deliver to the Receiver all Records in the Banks' power, possession or control relating to the Principals' Bank Accounts for the period from and after November 28, 2017.

Copies of the November 19th Order and the corresponding endorsement of Justice Hainey are collectively attached hereto as **Appendix "C"**.

8. In support of the November 19th Order, the Receiver filed its First Report to the Court dated November 18, 2018 (the "**First Report**"), which provided the evidentiary basis for the issuance of the November 19th Order. A copy of the First Report, without appendices, is attached hereto as **Appendix "D"**.

PURPOSE OF THIS SECOND REPORT

9. The purpose of this Second Report is to provide an update on the status of this Receivership Proceeding and to provide the Court with information to support the Receiver's request for an order:

(a) approving the First Report, this Second Report, and the conduct and activities of the Receiver, as described therein;

(b) compelling TD and Royal Bank of Canada (collectively, the "**Banks**") to provide to the Receiver the account statements, and any other documents, cheques or information required by the Receiver pertaining to the bank accounts now and previously held in the name of MGMIC (the "**MGMIC Bank Accounts**") and the Principals' Bank Accounts (collectively, the "**Bank Accounts**"), for the period from and including May 1, 2014;

(c) compelling TD to provide to the Receiver the bank account statements of 2546456 Ontario Inc. (the "**Dovercourt Owner**"), the registered owner of the Dovercourt Property (as defined below), together with any other documents, cheques or information required by the Receiver pertaining to the bank account statements of the Dovercourt Owner (the "**Dovercourt Bank Statements**") for the time period from and including November 16, 2016;

(d) approving the Receiver's Interim Statement of Receipts and Disbursements for the period from November 5, 2018 to March 31, 2019, attached hereto as **Appendix "E"**;

(e) approving the fees and disbursements of the Receiver and Chaitons LLP, legal counsel to the Receiver ("**Chaitons**"), as described herein; and

(f) any other relief requested that this Court deems appropriate.

10. The Receiver's activities since its appointment are detailed throughout this Second Report, with specific details of particular activities being described at paragraph 81 of this Report.

RESTRICTIONS AND TERMS OF REFERENCE

11. In preparing this Second Report, the Receiver has relied upon unaudited financial information, MGMIC's books and records, certain financial information, discussions with

the Principals, their counsel, and, and discussions with other parties. The Receiver's work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.

12. This Second Report has been prepared for the use of this Court to provide general information and an update relating to these Receivership Proceedings. Accordingly, the reader is cautioned that this report may not be appropriate for any other purpose.

13. All references to dollars are in Canadian currency unless otherwise noted.

14. Copies of materials filed in these Receivership Proceedings are available on the Receiver's case website at: www.GrantThornton.ca/MoneyGate.

MGMIC MORTGAGE PORTFOLIO

15. As at the date of the Appointment Order, MGMIC held a registered mortgage in the following properties (collectively, the "**Properties**") or a security interest in the proceeds from the sale of some of these properties, (collectively, the "**MGMIC Mortgages**"), all located in Ontario:

Property	Address	First Mortgage	Second Mortgage	Third Mortgage
Timiskaming Property	1107 Lakeshore Rd S. Timiskaming Shores	$ 435,000	$ 3,475,000	$ -
Timmins Property	5355 Highway 101 W. Timmins	2,372,500	-	-
Birchmount Property	4 Birchmount Rd Toronto	-	-	1,600,000
Palace Pier Property	2045 Lakeshore Blvd W. Toronto	765,326	665,000	-
Dovercourt Property	558 Dovercourt Rd Toronto	-	611,000	-

Steeles Property[2]	4342 Steeles Ave West Vaughan	-	320,000	-
Euclid Property	293 Euclid Ave Toronto	-	282,500	-
Total		**$ 3,572,826**	**$ 5,353,500**	**$ 1,600,000**

16. With the exception of the mortgage registered against the Euclid Property, the balance of the MGMIC Mortgages matured prior to the date of the Appointment Order.

17. The Receiver understands that the Timiskaming Property, the Timmins Property and the Steeles Property are owned by companies that are owned and/or controlled directly or indirectly by Arash Missaghi ("**Missaghi**"). MGMIC's portion of the Birchmount Mortgage was acquired by it from a company owned and/or controlled, directly or indirectly, by Missaghi.

18. The Palace Pier Property is owned by a company that is owned and/or controlled directly or indirectly by Jonathan Ricci ("**Ricci**") and/or Sai Mohammed whose real name is Mo Jiwani ("**Sai**"). Based on the information reviewed by the Receiver and its counsel in this proceeding, including transcripts from the examination of Ricci in related proceedings, the Receiver understands that during the time period when the majority of the MGMIC Mortgages were obtained, Ricci, Sai, Missaghi and MGMIC, among others, carried on business from the same office location at 25 Mallard Road, Toronto, Ontario and were business partners on a number of transactions involving MGMIC and the Principals.

19. The Euclid Property is owned by companies that are owned and/or controlled directly or indirectly by the Principals. The Dovercourt Property is owned indirectly by Payam and Ricci.

[2] As described in greater detail herein, the Steeles Property was sold under power of sale prior to the appointment of the Receiver. The transfer is the subject matter of a fraudulent preference or conveyance action commenced by another creditor which held a security interest against the Steeles Property.

THE MGMIC MORTGAGES

The Timiskaming Property

20. The Timiskaming Property consists of a 38-hectare commercial site including a vacant wood panel manufacturing plant and a historic wood waste landfill. On June 19, 2012, Mansteel New Liskeard Inc. ("**Mansteel**"), a company owned and/or controlled directly or indirectly by Missaghi, purchased the Timiskaming Property from Uniboard Canada Inc.("**Uniboard**") for $1. Pursuant to the sale agreement between Uniboard and Mansteel, Mansteel agreed to, among other things, assume all environmental obligations relating to the Timiskaming Property and perform certain environmental work (the "**Environmental Work**"). Pursuant to the sale agreement, Uniboard agreed to pay to Mansteel a sum of $6 million plus applicable taxes (the "**Environmental Fee**") for performing the Environmental Work. The Environmental Fee was comprised of a lump sum of $3.5 million paid on closing and a sum of $2.5 million (the "**Escrow Funds**") deposited with an escrow agent. Uniboard takes the position that Mansteel would only be entitled to access the Escrowed Funds if and as Environmental Work was actually performed.

21. In July 2013, Ministry of Environment and Climate Change of Ontario ("**MOECC**") conducted an inspection of the landfill on the Timiskaming Property. On October 23, 2013, the MOECC issued a Provincial Officer's Order requiring Mansteel to perform certain environmental remediation actions and to submit certain written action plans to the MOECC (the "**MOE Order**"). On June 23, 2016, the Ontario Court of Justice issued an order finding Mansteel guilty of the offence and ordered Mansteel to complete remediation work by November 15, 2016. The Receiver is advised by the MOECC that this work was not completed and that contamination of the Mansteel Property is continuing.

22. On December 8, 2017, on a motion made by Mansteel, this Court made an order requiring the escrow agent to pay the sum of $1,343,054. The Receiver is not aware if the escrow

agent continues to hold the balance of the Escrow Funds and is in the process of investigating same.

23. On July 13, 2016, MGMIC made a loan to Mansteel in the principal amount of $3,475,000, secured by a second mortgage registered on title against the Timiskaming Property in the principal amount of $3,475,000 (the "**Second Timiskaming Mortgage**").

24. On August 24, 2016, MGMIC also took an assignment from Canada Capital Corporation ("**CCC**") of the first mortgage registered against title to the Timiskaming Property in the principal amount of $300,000 (the "**First Timiskaming Mortgage**" and together with the Second Timiskaming Mortgage, the "**Timiskaming Mortgages**") by paying to CCC the sum of $435,000. The Receiver understands that CCC is also a company owned and/or controlled by Missaghi.

25. A construction lien was registered by James Lathem Excavating Limited against the Timiskaming Property in 2015, prior to the registration of the Second Timiskaming Mortgage, in the amount of $229,290. A copy of the parcel search in respect of the Timiskaming Property is attached to this Report as **Appendix "F"**.

26. On August 14, 2018, MGMIC commenced a proceeding against, among others, Mansteel for an order appointing a Receiver over, among others, Mansteel by issuing a Notice of Application. MGMIC did not advance is application further prior to the appointment of the Receiver.

Status of the Timiskaming Mortgages

27. The Timiskaming Mortgages have matured and are in default. MGMIC has not received a mortgage payment from Mansteel since July 4, 2017.

28. Since its appointment, the Receiver has engaged in discussions the MOE, Uniboard Canada, and an independent environmental engineer to determine the extent of environmental remediation requirements.

29. As MGMIC holds a mortgage secured by the Timiskaming Property, the Receiver commissioned an independent appraisal of the Timiskaming Property in order to determine whether it will be commercial to undertake further environmental review. The appraisal of the Timiskaming Property has been delayed due to difficulties in physically accessing the property as a result of heavy snowfall since the Receiver's appointment. The Receiver is advised that the appraisal on the Timiskaming Property will be provided in June 2019. The Receiver will provide an update on its course of action with respect to this property after the appraisal has been received and reviewed.

The Birchmount Property

30. The Birchmount Property is a 1.93 acre residential property located in Scarborough overlooking Lake Ontario and has a partially completed 12,900 sq. ft. two-story residential home located on it.

31. On December 1, 2017, MGMIC took an assignment of a 30.1% interest in the third mortgage registered against title to the Birchmount Property in favour of World Finance Corporation ("**WFC**"), a company owned and/or controlled by Missaghi (the "**Birchmount Mortgage**"). At the time of MGMIC's acquisition of a portion of the Birchmount Mortgage, the following mortgages were registered against the Birchmount Property in the following order:

(a) a mortgage in favour of Pillar Capital Corporation (another company owned and/or controlled by Missaghi) ("**Pillar**") in the principal amount of $1.4 million which, until May 5, 2015 was held by Home Trust Company ("**Home Trust**");

(b) a mortgage in favour of B&M Handelman Investments Ltd. et. al. in the principal amount of $900,000; ("**B&M Handelman**")

(c) the Birchmount Mortgage, in the principal amount of $35,000; and

(d) a mortgage in favour of Lorraine Barlow and Gilber Barlow (collectively, the "**Barlows**"), who the Receiver understands are the borrower's parents, in the principal amount of $500,000.

A copy of the parcel search in respect of the Birchmount Property is attached to this Report as **Appendix "G"**.

32. Although the principal amount of the Birchmount Mortgage as reflected by the Birchmount Property title search is $35,000, at the time of MGMIC's acquisition of the Birchmount Mortgage, it was advised by WFC that the amount owing under the Birchmount Mortgage as at the date of the assignment was approximately $5.4 million. Approximately $1.6 million was advanced by MGMIC to WFC for the acquisition of its portion of the Birchmount Mortgage

Status of the Birchmount Mortgage

33. On April 13, 2018, Rosen Goldberg Inc. (the "**Birchmount Receiver**") was appointed as the receiver of the Birchmount Property on an application of B&M Handelman. In June 2018, the Birchmount Receiver sold the Birchmount Property for $3,450,000 with the approval of the Court.

34. On November 26, 2018, the Birchmount Receiver brought a motion for advice and directions with respect to the distribution of the proceeds from the sale of the Birchmount Property. B&M Handelman took the position on this motion that it was entitled to recover the proceeds ahead of Pillar because the first mortgage against the Birchmount Property had been paid out in full.

35. On November 26, 2018, Justice Dunphy issued Reasons for Decision wherein his Honour concluded that the first mortgage was paid out in full on August 15, 2014 and that the transfer of charge dated May 5, 2015 is a nullity. Accordingly, the Court authorized the Birchmount Receiver to distribute the net proceeds to B&M Handelman up to the full value of the amounts owing to it under its mortgage. Copies of Justice Dunphy's Reasons dated November 26, 2018 and Order dated November 27, 2018 are collectively attached to this Report as **Appendix "H"**.

36. The Birchmount Receiver continues to hold approximately $1.4 million in net proceeds from the sale of the Birchmount Property (the "**Birchmount Proceeds**").

37. The Birchmount Receiver brought a motion for advice and directions concerning the distribution of the balance of the Birchmount Proceeds.

38. The assignment documents provided to the Receiver by the Principals indicate that MGMIC may have the first right of recovery on its portion of the Birchmount Mortgage ahead of WFC. Counsel for WFC advised the Receiver that some of the documents in its possession are fraudulent and provided alternative copies of these documents which, if authentic, could entitle WFC and MGMIC to share the proceeds payable in connection with the Birchmount Mortgage on *pari passu* basis. In addition, counsel for WFC has advised counsel for the Receiver that it intends to challenge the assignment of a portion of the mortgage to MGMIC.

39. The Receiver also understands that the Barlows intend to challenge the validity of the Birchmount Mortgage and amounts secured by the Birchmount Mortgage.

40. At a case conference before this Court which took place on May 2, 2019, a time table was set for delivery of materials and scheduling of the Birchmount Receiver's motion for advice

and direction. A copy of the Endorsement dated May 2, 2019 is attached as **Appendix "I"**. It is anticipated that this motion will be heard in September 2018.

41. The Receiver engaged in settlement discussions with WFC with respect to the apportionment of the proceeds, if any, payable under the Birchmount Mortgage. These settlement discussions have been put on hold for now until the validity of and the amounts secured by the Birchmount Mortgage is determined by the Court in the receivership of the Birchmount Property.

<u>The Timmins Property</u>

42. The Timmins Property consists of six (6) parcels of vacant land, totaling approximately 195 acres, located south-west of Timmins, Ontario. The Timmins Property is owned by Canadian Land Corporation ("**CLC**"), which the Receiver understands is a company owned and/or controlled directly or indirectly by Missaghi.

43. On March 4, 2016, MGMIC registered a first ranking mortgage in the principal amount of $2,375,500 against the Timmins Property (the "**Timmins Mortgage**").

Status of the Timmins Mortgage

44. The Timmins Mortgage is currently in default as it matured on March 4, 2018 and MGMIC has not received a mortgage payment from CLC since July 4, 2017.

45. To determine what actions should be undertaken, if any, the Receiver has sought an independent appraisal of the Timmins Property in order to determine whether it will be commercially reasonable to undertake further environmental review.

46. The appraisal of the Timmins Property has been delayed due to difficulties in physically accessing the property as a result of heavy snowfall since the Receiver's appointment. The Receiver has engaged an appraiser who has confirmed that the appraisal on the

Timmins Property will be provided in June 2019. The Receiver will provide an update on its course of action with respect to this property after the appraisal has been received and reviewed.

The Palace Pier Property

47. The Palace Pier Property is a residential condominium located in Toronto, Ontario. On February 10, 2014, the Palace Pier Property was purchased by Atlas Capital Corporation (2013) ("**Atlas**").

48. On August 12, 2015, registered a second mortgage against the Palace Pier Property in the principal amount of $665,000 (the "**Second Palace Pier Mortgage**"). In September 2018, MGMIC also took an assignment of the first mortgage in the amount of $765,326 (the "**First Palace Pier Mortgage**" and together with the Second Palace Pier Mortgage, the "**Palace Pier Mortgages**"). Attached as **Appendix "J"** to this Report is the parcel search in respect of the Palace Pier Property.

Status of the Palace Pier Mortgages

49. As at the date of this Second Report, both of the Palace Pier Mortgages have matured.

50. The Second Palace Pier Mortgage is subject to a litigation dispute between MGMIC and the registered owner of the Palace Pier Property (the "**Palace Pier Action**"). Prior to the appointment of the Receiver, MGMIC, as plaintiff brought a summary judgment motion. The motion was adjourned following the appointment of the Receiver to July 18, 2019.

The Dovercourt Property

51. The Dovercourt Property includes a multi-residential building located in Toronto, Ontario. The Dovercourt Property was purchased in 2011 by the Dovercourt Owner, an entity that is 50% owned by Payam and 50% owned by 2496050 Ontario Inc. ("**249**"), a company

owned and/or controlled by Ricci. Based on the transcripts of examination of Ricci and Payam in the Palace Pier Action, the Receiver understands that Ricci has previously acted as legal counsel for MGMIC, the Principals and other related parties. Based on the materials filed by Atlas, the Receiver understands that Ricci is also a shareholder and/or director of Atlas.

52. On June 5, 2017, MGMIC registered a second ranking mortgage against the Dovercourt Property in the principal amount of $611,000 (the "**Dovercourt Mortgage**"). As at the date of this Report, $802,791.20 remains owing to MGMIC under the Dovercourt Mortgage.

Status of the Dovercourt Mortgage

53. On July 30, 2018, on application by MGMIC, Ira Smith Trustee & Receiver Inc. (the "**Dovercourt Receiver**") was appointed as receiver over the Dovercourt Property. The Dovercourt Receiver brought a motion before this Court returnable in January 2019 for an order, among other things, approving: (i) the sale of the Dovercourt Property; (ii) a distribution of the net sale proceeds to the first mortgagee up to the full amount owing under the first mortgage; and (iii) distributing the balance of the net sale proceeds to the Receiver.

54. On January 7, 2019, prior to the return of the sale approval motion, counsel for the Dovercourt Receiver and counsel for the Receiver received correspondence from Brian Shiller ("**Shiller**"), 249's and Ricci's counsel, wherein Shiller advised that 249 claims priority over MGMIC to the net proceeds from the sale of the Dovercourt Property for the following reasons:

(a) Ricci purchased 50% of the shares in the Dovercourt Owner from Payam pursuant to a share purchase agreement dated May 16, 2017;

(b) On May 15, 2017, prior to the execution of the shareholder agreement, Payam, in his capacity as the sole shareholder of the Dovercourt Owner allegedly executed a shareholder resolution amending the articles of incorporation of the Dovercourt Owner to restrict its ability to, among other things, encumber the Dovercourt Property without the consent of all shareholders;

(c) Ricci claims that MGMIC's mortgage was granted without his knowledge and in contravention of the Dovercourt Owner's articles of incorporation.

A copy of Shiller's correspondence is attached to this Report as **Appendix "K"**.

55. On January 23, 2019, the Court approved the sale of the Dovercourt Property and a distribution to the first mortgagee up to the full amount owing under their mortgage. The Court also ordered that the balance of the net sale proceeds be paid to the Receiver to be held in trust pending a distribution motion to be brought in this proceeding. Attached to this Report as **Appendix "L"** are copies of the order and endorsement dated January 23, 2019.

56. On February 6, 2019, the Receiver received $391,027 (the "**Dovercourt Funds**") from the Dovercourt Receiver, which represented the first distribution from the proceeds available from the sale of the Dovercourt Property after payment of the fees and disbursements of the Dovercourt Receiver and the amounts owing under the first mortgage. The Receiver anticipates the receipt of a second distribution following the conclusion of the administration by the Dovercourt Receiver, which the Receiver expects will be nominal.

57. Counsel for the Receiver is in the process of conducting an investigation with respect to the claims raised by Ricci. To aid the Receiver in its review, the Receiver requires the Dovercourt Bank Statements, to assist it in understanding how the funds advanced by MGMIC were used and disbursed by the Dovercourt Owner.

58. Counsel for the Receiver was advised by the Dovercourt Receiver that they do not have a fulsome record of the Dovercourt Bank Statements. To avoid the duplicate cost of the Dovercourt Receiver taking steps to obtain this information, the Receiver seeks an order of this Court authorizing TD to release the Dovercourt Bank Statements to the Receiver.

59. Once the Receiver completes its investigation into 249's claims, it will bring a motion in this proceeding, on notice to 249, for advice and direction with respect to the distribution of the Dovercourt Funds.

60. Even if the Court finds that MGMIC's mortgage is valid and enforceable and that MGMIC is entitled to the Dovercourt Funds, MGMIC will still suffer a substantial shortfall on its loan to the Dovercourt Owner.

The Steeles Property

61. The Steeles Property includes of a commercial building located in Vaughan, Ontario which was purchased by Enigma Land Ltd. ("**Enigma**"), a company owned and/or controlled directly or indirectly by Missaghi. A copy of the parcel search in respect of the Steeles Property is attached to this Report as **Appendix "M"**.

62. On November 27, 2015, MGMIC and Curah Capital Corporation ("**Curah**") registered a transfer of 86.4% of the second ranking mortgage registered against title to the Steeles Property (the "**Second Steeles Mortgage**"). Pursuant to the transfer, MGMIC acquired 25.8% of the Second Steeles Mortgage. To acquire its portion of the Second Steeles Mortgage, MGMIC advanced $320,000 to the assignor, which was also a company owned and/or controlled directly or indirectly by Missaghi. $406,534.93 remains owing to MGMIC under its portion of the Second Steeles Mortgage.

63. Curah's portion of the Second Steeles Mortgage was transferred on October 27, 2016 to 2381438 Ontario Corporation ("**238**").

Status of the Steeles Mortgage

64. In April 2018, MGMIC commenced an enforcement proceeding (the "**MGMIC Steeles Proceeding**") to recover the funds owing under its portion of the Second Steeles Mortgage. Shortly thereafter MGMIC learned that the first mortgagee is trying to sell the Steeles Property under power of sale. Pursuant to an order of this Court dated May 8, 2018, the borrower was required to pay the sum of $375,000 into Court. A copy of the May 8, 2018 order is attached to this Report as **Appendix "N"**.

65. On August 28, 2018, Justice Hainey made an Endorsement in the MGMIC Steeles Proceeding requiring the first mortgagee, among other things, to pay into Court the full amount of MGMIC's mortgage, plus interest, if the Steeles Property is sold before the return of MGMIC's receivership application on August 20, 2018. A copy of Justice Hainey's Endorsement is attached to this Report as **Appendix "O"**.

66. On September 24, 2018, the Steeles Property was sold by the first under power of sale to another company owned and/or controlled directly or indirectly by Missaghi and $375,000 was paid into Court in accordance with the Endorsement of Justice Hainey. Shortly after the Steeles Property was sold under power of sale, 238 commenced a new proceeding for an order, among other things, setting aside the sale as a fraudulent preference or conveyance.

67. The Receiver intends to bring a motion for an order releasing the funds paid into Court to it in satisfaction of MGMIC's portion of the Second Steeles Mortgage. The following claims have been asserted to date in connection with these proceeds:

   (a) WFC filed responding materials in MGMIC's enforcement proceeding claiming that MGMIC's portion of the Second Steeles Mortgage was assigned to it; and

(b) In 238's proceeding, the former owner of the Steeles Property filed materials disputing the validity of the assignment of the portions of the Second Steeles Mortgage taken by MGMIC and 238.

68. There is substantial litigation risk in connection with recovery of the funds paid into Court. Even if the Receiver is ultimately successful in having the funds held in Court released to it, due to the expected legal costs associated with litigating these claims, the Receiver anticipates that MGMIC will suffer a shortfall on this loan.

<u>The Euclid Property</u>

69. The Euclid Property is a multi-residential building located in Toronto, Ontario that was purchased by 2450531 Ontario Inc. ("**2450 Ontario**"), an entity owned by Payam Katebian, on March 13, 2015.

70. On September 27, 2016, pursuant to a residential second mortgage agreement between MGMIC and 2450 Ontario dated September 20, 2016, 2450 Ontario granted a second mortgage (the "**Euclid Mortgage**") in favour of MGMIC against the Euclid Property in the amount of $282,500. The Euclid Mortgage ranks second behind a first mortgage in the amount of approximately $1,120,000 held by Home Trust Company (the "**Home Trust Mortgage**"). A copy of the parcel search in respect of the Euclid Property is attached to this Report as **Appendix "P"**.

Status of the Euclid Mortgage

71. The Receiver has confirmed that the Home Trust Mortgage is current and in good standing. Prior to the Appointment Order, the Euclid Mortgage was renewed for a six-month period with a maturity date of April 30, 2019. Under the Euclid Mortgage, 2450 Ontario has made the required monthly interest payments for the months of November 2018 through to April 2019.

72. In April 2019, the Receiver was in communication with Payam who has indicated 2450 Ontario's intention to pay out the Euclid Mortgage upon maturity.

73. The Euclid Mortgage matured on April 30, 2019. As at the date of this report, the Euclid Mortgage has not been repaid.

74. The Receiver intends to issue a formal demand to 2450 Ontario requiring full repayment of its loan to 2450 Ontario. In the absence of a full payout, it is the Receiver's intention to commence power of sale proceedings to enforce its mortgage against the Euclid Property.

TRANSACTION REVIEW AND REQUEST FOR BANK ACCOUNT INFORMATION

75. From the review of MGMIC's books and records, the OSC's application record and the examinations of Ricci and the Principals in the Palace Pier Action the Receiver has learned that in a number of cases involving loans to Ricci, Sai, Missaghi and the Principals, the funds advanced by MGMIC and interest and principal payments owing to MGMIC were re-directed to one or more of the Principals' Bank Accounts.

76. Pursuant to the terms of the November 19th Order, this Court ordered TD to release to the Receiver the Principals' Bank Accounts for the time period from and after November 28, 2017. To allow the Receiver to carry out its mandate in this proceeding, the Receiver requires access to MGMIC's and the Principals' Bank Accounts for the time period from and after May 1, 2014, the date on which MGMIC was incorporated.

77. MGMIC opened its bank account with TD on September 7, 2016. Prior to this time period, MGMIC had a bank account with Royal Bank of Canada, which account was closed effective September 22, 2016. The Receiver seeks an order of this Court requiring Royal Bank of Canada to disclose and produce to the Receiver copies of MGMIC's bank account statements together with any other documents, cheques or information required by the Receiver pertaining to these bank accounts.

78. Without access to the Bank Accounts, the Receiver is unable to properly respond to the various challenges made in respect of the MGMIC Mortgages and is limited in its ability to enforce these mortgages.

RECEIPTS AND DISBURSEMENTS OF THE RECEIVERSHIP

79. Attached hereto as **Appendix "E"** is the Receiver's Interim Statement of Receipts and Disbursements for the period of November 5, 2018 to April 30, 2019 (the "**Interim SRD Period**") which outlines the cash balances of the Company. As at the date of the Appointment Order, the cash balance held by MGMIC totaled $164,159. As at March 31, 2019, the cash balance in the Receiver's trust account for MGMIC totaled $515,878.

80. For the Interim SRD Period, the receipts received by the Receiver totaled $565,357, consisting mainly of: (i) the proceeds from the sale of the Dovercourt Property, which are being held separately in trust until the issues involving same (as discussed above) are resolved; and (ii) interest payments on the Euclid Mortgage totaling $8,475. The Disbursements incurred by the Receiver for the Interim SRD Period totaled $202,250 consisting of Legal fees, the Receiver's fees, bank charges, and other administrative expenses. While the Receiver's fees are reflected as an accrual on the Interim SRD, only $49,143.08 has been disbursed.

OTHER ACTIVITIES OF THE RECEIVER SINCE THE APPOINTMENT ORDER

81. Since the date of its appointment, the activities of the Receiver and its counsel have included:

(a) corresponding with the Birchmount Receiver and Dovercourt Receiver regarding the sale of the Birchmount Property and Dovercourt Property, respectively;

(b) corresponding with legal counsel regarding various litigation matters;

(c) attending the Company's premises in Thornhill, Ontario to meet with the Principals and MGMIC's counsel to obtain an electronic backup of all company documents, and review information related to MGMIC Mortgages;

(d) completing various analysis on the source and use of funds with respect to the Properties;

(e) engaging in various settlement negotiations with various counterparties with respect to the MGMIC Mortgages;

(f) monitoring the performing mortgage and taking enforcement steps, where appropriate;

(g) corresponding with the OSC in respect of these Receivership Proceedings;

(h) corresponding with MGMIC's former counsel to obtain documents related to enforcement litigation;

(i) advancing the Palace Pier Action;

(j) liaising with consultants regarding environmental remediation orders;

(k) corresponding with MGMIC's former auditors;

(l) responding to numerous email and phone inquiries and requests for general updates or information from investors and other stakeholders of MGMIC;

(m) conducting settlement discussions with other mortgagees and stakeholders;

(n) maintaining a public website for these Receivership Proceedings in accordance with the Commercial List E-Service Protocol including, copies of motion materials, reports, orders, and notices; and,

(o) preparing this Second Report.

PROFESSIONAL FEES

82. Pursuant to paragraph 19 of the Appointment Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Appointment Order. Pursuant to paragraph 20 of the Appointment Order, the Receiver and its counsel shall pass their accounts.

83. The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court for the period beginning November 5, 2018 and ending March 31, 2019. The Receiver and its counsel have maintained detailed records of their professional time and costs.

84. The total fees for the Receiver for the period November 5, 2018 and ending March 31, 2019 amount to $100,868.75, plus disbursements of $175.29, and HST of $11,604.38, for a total of $112,648.42. The time spent by the Receiver is more particularly described in the Affidavit of Jonathan Krieger sworn May 9, 2019 (the "**Krieger Affidavit**"), which is attached hereto as **Appendix "Q"** and contains copies of invoices that set out the services provided during this time period.

85. The total fees of Chaitons, as counsel to the Receiver, for the period of November 7, 2018 and ending March 31, 2019 amount to $77,900.50, plus disbursements of $1,125.17 and HST of $10,231.21 for a total of $89,256.88. The time spent by Chaitons is more particularly described in the Affidavit of Sam Rappos sworn May 8, 2019 (the "**Rappos Affidavit**"), which is attached hereto as **Appendix "R"** and contains, among other things, copies of invoices that set out the services provided during this period of time.

86. It is the Receiver's opinion that the fees and disbursements of the Receiver and Chaitons accurately reflect the work done by the Receiver and on behalf of the Receiver by Chaitons

in connection with the receivership and the administration of the Property of MGMIC from November 5, 2018 and ending March 31, 2019.

CONCLUSION AND RECOMMENDATION

87. For the reasons set out in this Second Report, the Receiver is of the view that the relief requested is reasonable and appropriate in the circumstances and respectfully recommends that this Court make the order granting the Receiver's requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 9th day of May, 2019.

GRANT THORNTON LIMITED,
solely in its capacity as the Court-appointed receiver and manager of Money Gate Mortgage Investment Corporation and not in its personal or corporate capacity

Per: ______________________
Jonathan Krieger, CPA, CA, CIRP, LIT
Senior Vice-President

Appendix “A”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

SUPERIOR COURT OF JUSTICE COUR SUPÉRIEURE DE JUSTICE

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.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:
NOV 06 2018

PER / PAR:

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:

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

ORDER
(Application under Sections 126 and 129 of the *Securities Act*)

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

Jamie Gibson (LSO 62858O)
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

THE HONOURABLE MR.	)	Mon DAY, THE
	)	
JUSTICE HAINEY	)	19th 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
(Amending the Receivership Order)

THIS MOTION made by Grant Thornton Limited for an Order amending the Receivership Order of Justice Hainey dated November 6, 2018 (the "**Receivership Order**") was read this day at 330 University Avenue, Toronto, Ontario.

ON READING the consent of counsel for the principals of the Respondent, counsel for certain investors and counsel for the Ontario Securities Commission, filed,

1. **THIS COURT ORDERS** that the Receivership Order is amended by inserting the following paragraph as paragraph 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.

Hainey J

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

NOV 19 2018

PER / PAR:

Doc#4334435v1

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ONTARIO SECURITIES COMMISSION

Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

CONSENT

THE PARTIES HERETO, by their lawyers, hereby consent to an Order in the form attached hereto.

AND THE PARTIES HERETO, by their lawyers, hereby certify that no party affected by the Order sought is under a disability.

Dated at Toronto, this 15th day of November 2018.

ONTARIO SECURITIES COMMISSION

Per: ______________________________

Dated at Toronto, this 15th day of November 2018.

MORTEZA KATEBIAN and PAYAM KATEBIAN by their lawyers, **GROIA & COMPANY**

Per: ______________________________

Groia & Company

Dated at Toronto, this 15th day of November 2018.

MORTEZA KATEBIAN and PAYAM KATEBIAN by their lawyers, **BERKOW YOUD LEV-FARRELL DAS LLP**

Per:

Berkow Youd Lev-Farrell Das LLP

Dated at Toronto, this 15th day of November 2018.

ROMAN TORLO ET. AL. by their lawyers, **LEVINE SHERKIN BOUSSIDAN LLP**

Per:

Levine Sherkin Boussidan LLP

ONTARIO SECURITIES COMMISSION - and - **MONEY GATE MORTGAGE INVESTMENT CORPORATION**

Applicant

Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

CONSENT

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Barristers and Solicitors
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Lawyers for the Court-appointed Receiver, Grant Thornton Limited

ONTARIO SECURITIES COMMISSION - and - **MONEY GATE MORTGAGE INVESTMENT CORPORATION**

Applicant

Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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Lawyers for the Court-appointed Receiver, Grant Thornton Limited

Doc#4334435v1

10:00 A.M

COUNSEL SLIP

H

COURT FILE NO C.V-18-608086-00CL DATE Nov 6, 2018

NO ON LIST 7

TITLE OF PROCEEDING ONTARIO SECURITIES COMMISSION v MONEYGATE MORTGAGE INVESTMEN CORP.

COUNSEL FOR: PLAINTIFF(S) APPLICANT(S) PETITIONER(S)	PHONE & FAX NOS

COUNSEL FOR: DEFENDANT(S) RESPONDENT(S)	PHONE & FAX NOS

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Krichard@groiaco.ca
for P. Katebian
+ M Katebian

November 6, 2018

I am satisfied that this application should be granted and that Grant Thornton Limited should be appointed ~~van~~ receiver manager on the terms of the attached order.

The OSC may apply for the appointment of counsel to the receiver on notice to the parties represented here ~~today~~ at a 9:30 AM attendance before me.

Hainey J.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	Mon DAY, THE
	)	
JUSTICE HAINEY	)	19th 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
(Amending the Receivership Order)

THIS MOTION made by Grant Thornton Limited for an Order amending the Receivership Order of Justice Hainey dated November 6, 2018 (the "**Receivership Order**") was read this day at 330 University Avenue, Toronto, Ontario.

ON READING the consent of counsel for the principals of the Respondent, counsel for certain investors and counsel for the Ontario Securities Commission, filed,

1. **THIS COURT ORDERS** that the Receivership Order is amended by inserting the following paragraph as paragraph 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.

Hainey J

ENTERED AT / INSCRIT À TORONTO
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ONTARIO
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COMMERCIAL LIST

ONTARIO SECURITIES COMMISSION

Applicant

- and -

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

CONSENT

THE PARTIES HERETO, by their lawyers, hereby consent to an Order in the form attached hereto.

AND THE PARTIES HERETO, by their lawyers, hereby certify that no party affected by the Order sought is under a disability.

Dated at Toronto, this 15th day of November 2018.

ONTARIO SECURITIES COMMISSION

Per:

Dated at Toronto, this 15th day of November 2018.

MORTEZA KATEBIAN and PAYAM KATEBIAN by their lawyers, **GROIA & COMPANY**

Per:

Groia & Company

Dated at Toronto, this 15th day of November 2018.

MORTEZA KATEBIAN and PAYAM KATEBIAN by their lawyers, **BERKOW YOUD LEV-FARRELL DAS LLP**

Per:

Berkow Youd Lev-Farrell Das LLP

Dated at Toronto, this 15th day of November 2018.

ROMAN TORLO ET. AL. by their lawyers, **LEVINE SHERKIN BOUSSIDAN LLP**

Per:

Levine Sherkin Boussidan LLP

ONTARIO SECURITIES COMMISSION - and - **MONEY GATE MORTGAGE INVESTMENT CORPORATION**

Applicant

Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

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Lawyers for the Court-appointed Receiver, Grant Thornton Limited

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ONTARIO SECURITIES COMMISSION - and - **MONEY GATE MORTGAGE INVESTMENT CORPORATION**

Applicant / Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at TORONTO

ORDER

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Lawyers for the Court-appointed Receiver, Grant Thornton Limited

Appendix “B”

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,)
this 2nd day of November, 2018)

Louisa Fiorini

A Commissioner for taking affidavits
Dithm Emami

Doc#4323331v2

Appendix “C”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	MONDAY, THE 19th
	)	
JUSTICE HAINEY	)	DAY OF NOVEMBER, 2018

BETWEEN:

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

THIS MOTION made without notice by Grant Thornton Limited in its capacity as Court-appointed receiver (**"Receiver"**) of Money Gate Mortgage Investment Corporation (**"Money Gate"**), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated November 18, 2018 and the Appendices thereto, and on hearing the submissions of counsel for the Receiver,

1. **THIS COURT ORDERS** Toronto-Dominion Bank and TD Canada Trust (the "**Banks**") to forthwith freeze and prevent any removal or transfer of monies or assets held in the accounts listed in **Schedule "A"** hereto (collectively, the "**Bank Accounts**"), pending a determination as to whether such monies constitute property or assets of Money Gate.

2. **THIS COURT ORDERS** that the Banks forthwith disclose, produce and deliver up to the Receiver any and all Records (as defined below) held by the Banks, including without limitation Bank Account statements and cheques, pertaining to the Bank Accounts for the period from and after November 28, 2017.

3. **THIS COURT ORDERS** that Morteza (Ben) Katebian and 2399029 Ontario Inc. (collectively, the "**Parties**") shall forthwith disclose and produce to the Receiver all books, records, documents, papers, records and information of any kind whatsoever ("Records") pertaining to their receipt and use of the approximately $1.2 million (the "**Diverted Funds**") they received from the $1.6 million advanced by Money Gate to World Finance Corporation ("**WFC**") in connection with the assignment of 30.1% of a third mortgage held by WFC over real property municipally known as 4 Birchmount Road, Toronto. The Parties 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 3 or paragraph 4 hereof 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.

4. **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 individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**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.

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

NOV 19 2018

PER / PAR:

SCHEDULE "A"

Bank Branch: 1085 – TD Canada Trust, 220 Commerce Valley Drive West, Unit 100, Markham

Name: Morteza (Ben) Katebian

Account Number: 63-***25

Bank Branch: 1085 – TD Canada Trust, 220 Commerce Valley Drive West, Unit 100, Markham

Name: 2399029 Ontario Inc.

Account Number: 54-***32

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)

Proceedings commenced at TORONTO

ORDER

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Sam Rappos (LSO # 51399S)
Tel: (416) 218-1137
Fax: (416) 218-1837
Email: samr@chaitons.com

Lawyers for the Court-appointed Receiver, Grant Thornton Limited

10:00 A.M

COUNSEL SLIP

H

COURT FILE NO CV-18-608086-00CL DATE Nov 19, 2018

NO ON LIST 10

TITLE OF PROCEEDING: ONTARIO SECURITIES COMMISSION v MONEY GATE MORTGAGE INVESTMENT CORP.

COUNSEL FOR: PLAINTIFF(S) APPLICANT(S) PETITIONER(S)		PHONE & FAX NOS
	Sam Rappos for the Receiver	416 219 [illegible] 416 219 1337 (fax) sam[illegible]

COUNSEL FOR: DEFENDANT(S) RESPONDENT(S)	PHONE & FAX NOS

November 19, 2018

Order amending the Receivership order to issue on consent of the ~~parties~~ on the terms of the attached.

I am ~~satisfied~~ that this ex parte motion should be granted on

The terms of the attached order -

Harry J.

Appendix “D”

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

FIRST REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE RESPONDENT

November 18, 2018

Grant Thornton

Grant Thornton Limited
200 King Street West, 11th Floor
Toronto, Ontario M5H 3T4

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Appendix A	Appointment Order and Endorsement of Justice Hainey, dated November 6, 2018
Appendix B	Affidavit of Louisa Fiorini sworn November 2, 2018 (w/o exhibits)
Appendix C	Authorization re Birchmount Property
Appendix D	Table re Birchmount Property Advances

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

FIRST REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER OF THE RESPONDENT

November 18, 2018

PURPOSE OF THE REPORT

1. This Report (the "**First Report**") is filed by Grant Thornton Limited ("**GTL**") in its capacity as the receiver (the "**Receiver**") of the Respondent, Money Gate Mortgage Investment Corporation ("**Money Gate**" or "**MGMIC**"). GTL was appointed Receiver on an application of the Ontario Securities Commission ("**OSC**") pursuant to the terms of the Order of Mr. Justice Hainey dated November 6, 2018 (the "**Appointment Order**"). Copies of the Appointment Order and the endorsement of Justice Hainey are collectively attached hereto and marked as **Appendix "A"**.

2. The purpose of this Report is to provide the Court with information to support the Receiver's request for:

   (a) an interim order freezing monies held in the Bank Accounts (as defined below) pending a determination as to whether such monies constitute property of MGMIC;

   (b) a *Norwich* order requiring the Toronto-Dominion Bank and TD Canada Trust (collectively, the "**Bank**") to provide to the Receiver the Bank Account statements and any other documents, cheques or records requested by the Receiver pertaining to the Bank Accounts for the period from and after November 28, 2017;

   (c) an order requiring the Parties (as defined below) to produce information and documentation pertaining to their receipt and use of the Diverted Funds (as defined below).

RESTRICTIONS AND TERMS OF REFERENCE

3. In preparing this Report, the Receiver has relied upon the affidavit of Louisa Fiorini, a Senior Investigator in the Enforcement Branch of the OSC, sworn November 2, 2018 (the "**Fiorini Affidavit**") filed in support of the receivership application, a copy of which, without exhibits, is attached hereto and marked as **Appendix "B"**.

4. The Receiver's work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.

5. This Report has been prepared for the use of this Court in support of the Receiver's *ex parte* motion returnable November 19, 2018. This Report should not be relied on for any other purpose.

6. All references to dollars are in Canadian currency unless otherwise noted.

APPOINTMENT OF RECEIVER

7. As noted above, the OSC brought an application for the appointment of GTL as Receiver pursuant to section 129 of the *Securities Act* (Ontario) (the "***Securities Act***"). On November 6, 2018, GTL was appointed as Receiver of all of the assets, undertakings and properties of MGMIC acquired for, or used in relation to a business carried on by MGMIC, including all proceeds thereof and all real property charges in favour of MGMIC (the "**Real Property Charges**") (the "**Property**") pursuant to the terms of the Appointment Order.

8. Pursuant to paragraph 3 of the Appointment Order, the Court authorized and empowered the Receiver to:

    (a) take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property; and

    (b) initiate, prosecute and continue the prosecution of any and all proceedings with respect to MGMIC or the Property.

MONEY GATE[1]

9. MGMIC was a mortgage investment corporation that loaned money to borrowers, with the loans secured by residential and commercial mortgages. Morteza (Ben) Katebian ("**Ben**") and his son Payam Katebian are the principals of MGMIC (the "**Principals**").

10. Between August 2014 and April 2017, MGMIC raised approximately $11.0 million from approximately 155 investors through the sale of its preferred shares.

11. On April 27, 2017, the Enforcement Branch of the OSC (the "**Enforcement Branch**") obtained a temporary cease trade order against MGMIC, which is still in effect. The temporary cease trade order indicates that the Principals may have perpetrated a fraud on Money Gate's investors.

12. On October 30, 2017, the Principals, through counsel, advised the Enforcement Branch of their intention to wind up Money Gate.

13. On November 16, 2017, Money Gate held a shareholder meeting, where it informed shareholders that it intended to wind down its operations. This intention was communicated to investors via e-mail on November 27, 2017.

14. On December 19, 2017, the Enforcement Branch commenced a proceeding against MGMIC and the Principals, amongst others, by way of a statement of allegations, alleging that they defrauded and misled investors through misrepresentations contained in various

[1] The information contained in the remaining sections of the Report is derived from the Fiorini Affidavit and the exhibits appended thereto.

documents produced by them, and engaged in unregistered trading and illegal distributions contrary to the *Securities Act.*

15. On October 30, 2018, the Enforcement Branch of the OSC brought a motion to amend the statement of allegations to make new allegations against Money Gate and the Principals, including with respect to the diversion of corporate funds.

DIVERSION OF FUNDS

16. On or about November 6, 2017, Money Gate executed an assignment agreement whereby it agreed to take an assignment from World Finance Corporation ("**WFC**") of a 30.1% interest in a third mortgage (the "**Birchmount Mortgage**") registered in favour of WFC against real property municipally known as 4 Birchmount Road, Toronto (the "**Birchmount Property**"), if certain conditions were met.

17. WFC is believed to be controlled by Arash Missaghi ("**Missaghi**"), who faces criminal charges for mortgage fraud. Missaghi appears to be involved with a number of properties on which Money Gate held or holds mortgages.

18. On December 1, 2017, the transfer of the 30.1% interest in the Birchmount Mortgage by WFC to MGMIC was registered on title to the Birchmount Property.

19. In connection with the assignment, Money Gate advanced $1.6 million to WFC, of which $1.2 million (the "**Diverted Funds**") was advanced by way of three separate advances of $400,000 each made between November 28, 2017 and December 6, 2017.

20. The transfers were completed at a time when Money Gate and the Principals had already advised the Enforcement Branch and Money Gate's investors that they would be winding

up the business and operations of Money Gate and were subject to a temporary cease trade order.

21. On November 30, 2017, Payam, on behalf of MGMIC, executed an authorization, pursuant to which MGMIC instructed its solicitor to complete the transaction notwithstanding that, among other things:

   (a) Money Gate had not obtained statements from the first and second mortgagees of the Birchmount Property to ascertain what was owing under the mortgages; and

   (b) no formal appraisal of the Birchmount Property was obtained and the requirement for the appraisal was waived by Money Gate.

   A copy of the authorization is attached hereto and marked as **Appendix "C"**.

22. The Enforcement Branch prepared a table that summarized the transfers that track the flow of the Diverted Funds from Money Gate. A copy of the table is attached hereto and marked as **Appendix "D"**.

23. As set out in the table, the ultimate recipients of the Diverted Funds were as follows:

   (a) Ben - $1.115 million;

   (b) 2399029 Ontario Inc. ("**239 Inc.**") a company owned and controlled by Ben - $38,982.50;

   (c) CBC Inc. - $709.98;

   (d) WFC's solicitor - $2,353.84; and

(e) Money Gate's solicitor - $42,953.68.

24. All Diverted Funds received by Ben were received from 239 Inc. between December 5 and 8, 2017. The funds were wire transferred from a bank account in 239 Inc.'s name bearing account number 1085-54-***32 and maintained at a TD Canada Trust branch located at 220 Commerce Valley Drive West, Unit 100, Markham (the "**239 Bank Account**") to a bank account in Ben's name bearing account number 1085-63-***25 and held at the same branch (together with the 239 Bank Account, the "**Bank Accounts**").

25. Approximately four (4) months after the $1.6 million was advanced by Money Gate, a receiver was appointed over the Birchmount Property by the second mortgagee. The receiver has sold the property pursuant to Court order. The purchase price for the Birchmount Property was less than the amount claimed under the first and second mortgages.

26. The entitlement to the proceeds of sale from the Birchmount Property is being disputed, as is the validity of the first mortgage. Money Gate has not, and may not, recover any of the $1.6 million advanced to WFC to obtain an interest in the Birchmount Mortgage.

RECEIVER'S REQUEST

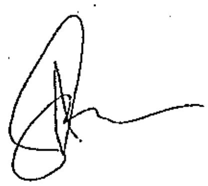
27. It appears to the Receiver that, as a result of the circumstances detailed above, $1.2 million of the $1.6 million advanced by Money Gate to WFC to purchase the 30.1% interest in the Birchmount Mortgage was diverted to Ben and 239 Inc. (collectively, the "**Parties**").

28. As a result, so that the Receiver may fulfill its duties under the Appointment Order to recover and preserve the Property, the Receiver respectfully requests that the Court grant an Order set out in paragraph 2 above.

All of which is respectfully submitted,

GRANT THORNTON LIMITED,
In its capacity as RECEIVER
of MONEY GATE MORTGAGE
INVESTMENT CORPORATION
and not in its personal or
corporate capacity

Per:



Jonathan Krieger, CPA, CA, CIRP, LIT
Senior Vice President

Appendix “E”

District of Ontario
Division – 09 - Toronto
Court File No.: CV-18-00608086-00CL

IN THE MATTER OF THE RECEIVERSHIP OF
MONEY GATE MORTGAGE INVESTMENT CORPORATION
RECEIVER'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD ENDING MARCH 31, 2019

CASH RECEIPTS		
Cash in bank	$	164,158.63
Proceeds from sale of property (Dovercourt Mortgage)		391,027.14
Interest payments (Euclid Mortgage)		8,475.00
Interest		1,695.83
TOTAL CASH RECEIPTS		565,356.60
CASH DISBURSEMENTS		
Legal fees[1]		79,025.67
HST on Legal fees[1]		10,231.21
Receiver's fees[1]		101,044.04
HST on Receiver's fees[1]		11,604.38
Ascend license fee		275.00
HST on Ascend license fee		35.75
Bank charges		34.00
TOTAL CASH DISBURSEMENTS		202,250.05
ENDING CASH BALANCE	**$**	**363,106.55**

Note 1: White the Receiver's fees and its counsel's fees are reflected as a disbursement on this statement, only the amount of $49,134.08 has been paid. The remainder of fees are show as an accrual.

Appendix “F”

1107 Lakeshore Rd.
South, Temiskaming

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 *

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.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* 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.

Appendix “G”

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 SHARE
ROWN

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.
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
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.	

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LAND
REGISTRY
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

06511-0222 (LT)

PREPARED FOR CCPellerin
ON 2013/10/30 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
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						

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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
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	

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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, AT1917693, AT1965090, AT2148573, AT2439382, AT3001170, AT3875540, AT4101615, AT4749651, AT4821129

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Appendix “H”

B&M Handelman Investments Limited v. Christine Drotos, 2018 ONSC 7124 (CanLII)

Date: 2018-11-27
File number: CV-18-594590-00CL
Citation: B&M Handelman Investments Limited v. Christine Drotos, 2018 ONSC 7124 (CanLII), <http://canlii.ca/t/hwbp9>, retrieved on 2019-05-09

CITATION: B&M Handelman Investments Limited v. Christine Drotos, 2018 ONSC 7124
COURT FILE NO.: CV-18-594590-00CL
DATE: 20181127

SUPERIOR COURT OF JUSTICE – ONTARIO
(COMMERCIAL LIST)

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

RE: 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

BEFORE: S.F. Dunphy J.

COUNSEL: *David P. Preger and Dylan Augruso* for the Applicants

Eric Golden for the Receiver Rosen Goldberg Inc.

L. Lesslie Dizgun and Justin Anisman, for the Respondent on the motion, Pillar Capital Corporation (Cayman)

Eli Karp for Pillar Capital Corporation (Ontario)

HEARD at Toronto: November 26, 2018

REASONS FOR DECISION

[1] This was a motion brought by a court-appointed receiver for directions regarding the distribution of proceeds realized upon the sale of a property located at 4 Birchmount Road in Scarborough. I ordered the property sold on June 1, 2018 and this motion was scheduled to resolve competing claims to the proceeds.

[2] The Applicants claimed the right to be paid in priority to the first mortgage on title on the basis that the first mortgage had in fact been paid in full. At the conclusion of the hearing of this motion, I ruled in favour of the Applicants with reasons to follow. These are those reasons.

Background facts

(a) Procedural background

[3] McEwen J. appointed Rosen Goldberg Inc. as receiver and manager of a property known as 4 Birchmount Road, Toronto on April 13, 2018. The order was made on the application of the second mortgagee of the property, the Applicants B&M Handelman Investments Limited et al. ("Handelman").

[4] On June 1, 2018 and following a contested hearing I granted a Sale Approval and Vesting Order approving the sale of the property, directing the proceeds of sale to be held by the Receiver pending further order. That order was opposed by the apparent first mortgagee, Pillar Capital Corporation and the holder of 69.9% of the apparent third mortgage, World Finance Corporation. An application to stay my order was dismissed by the Court of Appeal on June 13, 2018.

[5] The sale of the property closed shortly thereafter. The sale price was $3.45 million. There was significant dispute as to the amounts owing under the 1st and 3rd mortgages that was apparent in the various appearances before me. No dispute had been raised in regard to the validity of or amount secured by the second mortgage (to the Applicant Handelman).

[6] On August 3, 2018 I approved a timetable aimed at having the within motion for directions heard on October 9, 2018. The purpose of the motion(s) was to provide the receiver with directions regarding the distribution of the sale proceeds. In order to accomplish this, two motions were scheduled – the first for October 9, 2018 was to deal with the amounts if any owing under the first mortgage while the second (October 12) was to deal with a dispute regarding which Pillar Capital Corporation[1] was the actual first mortgagee, among other issues[2]. The schedule called for examinations to be completed September 4-5 and undertakings to be completed two days later (September 7, 2018) and for the factum of Pillar Capital Corporation to be completed by September 24, nine days prior to the hearing.

[7] On August 31, 2018, Conway J. ordered the Receiver to distribute $350,000 of the proceeds of the sale of the Birchmount property to Handelman. This amount was premised on the undisputed nature of the 2nd mortgagee's debt, the lack of any

challenges to its validity and the Receiver's receipt of favourable legal opinions regarding validity. The amount distributed was intended to stop the interest clock running while leaving the receiver with a sufficient reserve of proceeds to repay the full amount of the alleged first mortgage should that claim be validated at the motion before me. The Receiver currently holds proceeds of $2,749,492 of which $2,603,915 would be available to repay the first or second mortgage depending upon the directions to be given by me at this motion. The remainder represents a reserve held by the receiver for the time being.

[8] Conway J. also ordered minor changes to the case timetable on consent of the parties. The deadline for responding to undertakings was pushed back by two days only.

[9] A few days prior to the original October 9 hearing date, the motion was adjourned. The reasons for that adjournment are not before me, but there is no suggestion it was opposed. The matter was rescheduled to November 26, 2018 without alteration to the case timetable.

[10] On November 6, 2018 one of the alleged owners of the third mortgage (Money Gate Mortgage Investment Corp.) was itself placed into receivership and its receiver, Grant Thornton needed time to review its position. Among the allegations leading to the appointment of the receiver were allegations relating to the alleged diversion of funds by the principals of MGMIC arising from the purchase of an interest in the Birchmount property third mortgage from World Finance.

[11] On November 14, 2018, the parties appeared on a scheduling appointment before Penny J. with counsel for the new Receiver of Money Gate. Pillar Capital did not appear although its counsel signed the consent form requesting the hearing. Money Gate's receiver did not ask to adjourn the November 26, 2018 hearing but asked for and received an extension of time to file its own factum. Penny J. noted that failure of Pillar Capital to file its factum and responses to undertakings as required and noted the reluctance of the Commercial List to grant adjournments in such circumstances. The timetable was amended only in favour of the receiver for Money Gate.

[12] Notwithstanding the timetable signed by the parties and ordered by me, Pillar Capital Corporation prepared a volume of purported answers to undertakings that was delivered on November 20, 2018 – more than two months after the examination of its only witness, Mr. Ara Missaghi. Those responses were filed in court at the outset of the hearing before me. This chronology is mentioned because the Applicant Handelman takes issue with the admissibility of this late-assembled and late-filed materials. I shall deal with those objections below.

(b) The mortgages

[13] This dispute concerns a property located in Scarborough at 4 Birchmount Road. The property was originally owned by Ms. Christine Drotos. Ms. Drotos assigned herself into bankruptcy on May 17, 2010. According to the decision of Master Jean of October 20, 2015 upon her discharge from bankruptcy, Ms. Drotos had intended to build her "dream home" on the property but ran out of money to complete the project.

[14] The dispute in this case concerns three mortgages that were placed on the property before her bankruptcy:

(i) Home Trust

[15] Home Trust registered a charge on title on September 27, 2006 securing $1,425,000. The charge document indicates that the initial term of the mortgage expired on October 10, 2008 and that interest was charged at the rate of 7.5%.

(ii) B&M Handelman et al.

[16] On May 27, 2008 the Applicant's registered their second mortgage in the amount of $900,000 bearing interest at 12% per year. The mortgage had not been discharged or amended (prior to the sale ordered by me). There is no dispute as to the amount it secures. After the interim payment made, the balance due under this mortgage stood at $860,753.39 as of August 31, 2018 plus interest and fees accrued since then.

(iii) World Finance

[17] On October 7, 2008, DMS Inc. registered a charge in the amount of $35,000. This charge was transferred to 2176506 Ontario Inc. on December 2, 2012. On April 27, 20012, this charge was again transferred to World Finance Corporation. The charge was then transferred – or at least partially transferred – to Money Gate Investment Corporation on December 1, 2017.

[18] The most recent mortgage statement from World Finance Corporation and/or Money Gate Corporation suggests that this mortgage currently stands at over $6 million and is still growing. Given the sale proceeds, there is no prospect of the third mortgage being repaid in full under any scenario, making the precise calculation of the debt somewhat academic.

[19] The growth of this mortgage debt from $35,000 to more than $6 million over a span of ten years is said by Mr. Missaghi to be due to 2176506 and then World Finance making payments to the first and second mortgages, allegedly to keep the $35,000 third mortgage from being "blown out" (in the words of Mr. Missaghi). The amounts paid per month for most of this period – approximately $25,000 – were very nearly equal to the full amount of the original $35,000 third mortgage.

[20] The amount allegedly expended to "protect" $35,000 bears no relation to commercial reality and is perhaps better explained by the fact that the 3rd mortgage bears interest at 18.99% (according to the registered Charge) and the economic logic of advancing "protective" disbursements at such a high rate of interest does not seem as hard to explain. Whether such disbursements so qualify, particularly after bankruptcy intervened in 2010 remains to be seen. That question has not been addressed before me.

<u>(c) Repayment of Home Trust Mortgage August 15, 2014</u>

[21] On August 15, 2014, a lawyer named Anita Verma hand delivered a letter to Home Trust enclosing a cheque in the amount of $1,372,368.70. The cheque

contained Ms. Verma's file number and the word "discharge" on the subject line. The letter was directed to the "Discharge Department" of Home Trust and specifically directed Home Trust to forward a copy of the registered discharge to the writer's attention and a release of Home Trust's interest in the mortgagor's interest policy. The amount tendered represented the full amount of the indebtedness of Ms. Drotos under the Home Trust mortgage.

[22] The word "assignment" is mentioned nowhere on the document nor in any written documents from August 15, 2014.

[23] It is the position of the respondent on this motion (Pillar Capital) that this payment was in fact made in consideration of an assignment of the subject mortgage and not, as stated on the face of the certified cheque and in the letter that delivered it, in consideration of the requested discharge of the mortgage.

[24] Ms. Verma gave no evidence at this hearing and there is no acceptable evidence of who her actual client was. She has not claimed that an error was made and has not alleged a contemporary written or oral agreement to assign the mortgage. She has given no evidence at all. I shall return to that question below.

(d) Assignment of Mortgage May 5, 2015

[25] I shall review in further detail below the chain of email correspondence that culminated in Home Trust authorizing the electronic filing of a transfer of Charge on May 5, 2015. The document as registered named Pillar Capital Corporation c/o Ms. Verma as the transferee and includes the following statement:

> The charge transfers the selected charge for $1,372,368.70 received on August 15, 2014. The registration is not prohibited by registration AT2439382 registered on 2010/07/07.

[26] The document referred to is a caution registered on title by the trustee in bankruptcy of the mortgagor, Ms. Drotos. The "statement" does not allege the existence of a consent by the Trustee in Bankruptcy and none has been produced.

(e) Mr. Missaghi and late responses to undertakings

[27] The only evidence produced by Pillar Capital on this motion was in the form of an affidavit of Mr. Ara Missaghi dated September 5, 2018. Mr. Missaghi was cross-examined on that affidavit.

[28] Mr. Missaghi is neither an officer, employee nor director of any of the companies on whose behalf he purported to provide information by way of affidavit, including the alleged first mortgagee Pillar Capital. He claimed to be "mortgage consultant and fund manager" of Pillar Capital but could identify no fund that it managed. There is little doubt that Mr. Missaghi's fingerprints are to be found throughout this matter. Ms. Verma – the lawyer who repaid Home Capital and arranged later for the assignment to be registered – corresponded with him as the contact for her un-named client. The various iterations of Pillar Capital appear connected to him via registered office (his

home) or officers (his spouse). However, the precise basis of his legal authority to speak on behalf of any entity or to bind them appears murky at best.

[29] Mr. Missaghi also produced an affidavit in the parallel proceedings (as part of the now adjourned motion between the two Pillar Capital Corporations) sworn November 15, 2018 between the groups claiming to speak for the "real" Pillar Capital. That affidavit was *not* part of this motion and no request for leave to refer to it was made by Pillar Capital on this motion.

[30] Having read both affidavits and the lengthy cross-examination transcript of Mr. Missaghi, the most charitable comment I can make regarding the quality of his evidence is that he is careless with his words and consequently unreliable. In a large number of cases, factual assertions by Mr. Missaghi were simply wrong or tended towards generalizations that were not supported by the documents attached or only partially so.

[31] I am mindful of the serious challenges to this gentleman's credibility advanced by the Applicants by reason of a number of allegations of fraud relating to his activities in the mortgage sphere. The Applicants also point to a number of conflicting mortgage statements – particularly in regard to the amount alleged to be due under the 3rd mortgage – so suggest there is good reason to be cautious when accepting the authenticity of documents proffered by Mr. Missaghi.

[32] There is at least one document in the file that is clearly forged. A second mortgage statement attributed to Mr. Handelman from November 2017 (misspelled "Handleman") bears a signature that is clearly not his but there is no conclusive evidence before me as to the author of it. It was however attached to an email originating from Mr. Missaghi.

[33] I do not propose to dive into such collateral matters. Neither Mr. Missaghi's other legal problems nor the amount due under the 3rd mortgage are issues before me today. However, I do think that, in the circumstances, it is fair for the Applicants to ask me to be circumspect as to the authenticity or completeness of the volume of documents deposited into the court record long after the agreed deadline for doing so and without affording an opportunity for them to be examined or tested.

[34] The respondent Pillar Capital through its counsel signed a case timetable that was approved by me in an order that was amended – slightly – on consent. That case timetable called for responses to undertakings to be delivered swiftly after the examinations were completed and for a factum to be delivered far in advance of the hearing. None of this had been done by November 14, 2018 when the matter came on for the scheduling hearing before Penny J. and where he made a point of noting in his endorsement that adjournments should *not* be expected in these circumstances (and none was requested before me).

[35] My review of the volume of purported answers to undertakings given by Mr. Missaghi on behalf of Pillar Capital Cayman leads me to conclude that the documents produced and answers given are largely non-responsive to the actual questions asked. Late-answered undertakings are not to be used as a Trojan horse by which all manner of information a party might wish had been given in an affidavit can be slid

under the transom at the 11th hour without being tested nor do the interests of justice require such behaviour to be rewarded with an adjournment (particularly where none is requested) absent a compelling explanation. This is all the more so where, as here, the party is clearly on notice that the credibility of the deponent who gave the undertakings is very clearly and substantially challenged by the adverse party.

[36] I attach no weight to such documents and answers.

(f) Pillar Capital Corporation

[37] There is a motion – originally scheduled for tomorrow and now adjourned – that will deal with "which" Pillar Capital allegedly acquired the Home Trust mortgage. This motion has been argued on the basis that it was Pillar Capital "Cayman" who acquired the assignment, but I have not been asked to make an express finding to that effect (and do not). Mr. Missaghi was involved with the incorporation of both and, for the purposes of this motion, I make no distinction between them. That is a matter for another day.

Issues to be argued

[38] Was the Home Trust Mortgage paid in full on August 15, 2014?

[39] If not, what amounts are due under the first mortgage?

[40] If not, can the second mortgage cause the subordination of the first by reason of promissory estoppel?

Discussion and analysis

(a) Was the Home Trust Mortgage paid in full?

[41] In my view, the simple answer to this question is "yes".

[42] Having made a demand on its secured loan on June 6, 2014, Home Trust had retained counsel (Mr. Walker) by July 2014. Mr. Walker was contacted by Mr. Rasik Mehta of Meridian Law Professional Corporation. Mr. Missaghi stated on cross-examination that the *third mortgagee World Finance* had retained Mr. Mehta to "initiate contact to get the matter going". There is no evidence of how Mr. Mehta contacted Mr. Walker or, if in writing, what he represented to Home Trust. There is no evidence that Mr. Mehta had ever heard of Pillar Capital Corporation or of the intention of any person to cause Pillar Capital to be incorporated at some point. I can only infer from this evidence that Mr. Mehta contacted Mr. Walker on behalf of his client, the third mortgagee World Finance.

[43] Mr. Walker's responding letter of July 23, 2014 made it clear that Home Trust would *discharge* the first mortgage upon payment in full of the amount claimed in the statement provided. It also made it clear that Mr. Mehta's request for "an assignment in lieu of discharge" would not be proceeded with except pursuant to a valid direction given pursuant to s. 2 of the *Mortgages Act* R.S.O. 1990, c. M.40 coming from an identified party.

[44] Mr. Walker re-iterated this point on July 25, 2014 responding to an email from Mr. Mehta which has not been produced.

[45] At some point in early August 2014, Ms. Verma became involved. None of her contemporary letters or emails – at least none produced by Pillar Capital - contain any express indication as to the name of her client. As shall be seen, she made no mention of Pillar Capital until November 2014 and Pillar Capital itself was not incorporated until October 2014.

[46] Mr. Walker sent her a letter dated August 1, 2014 (not produced) and a further letter dated August 7, 2014 enclosing a copy of the "discharge statement" with the added statement "should your client wish an assignment of the Charge in lieu of a discharge, you must address the concerns raised in" the letter of July 23, 2014. On August 8, 2014, Mr. Walker responded to a letter of Ms. Verma (not produced) by extending the time for receipt of the funds to August 14, 2014.

[47] Ms. Verma sent a letter to Mr. Walker dated August 13, 2014 that has not been produced.

[48] On August 15, 2014, Mr. Verma hand delivered a letter to Home Trust to the attention of the "Discharge Department". The letter enclosed a certified cheque in the amount of $1,372,368.70 and indicated that "you have advised that upon receipt of the [the funds], you would attend to the registration of the discharge of the mortgage". It closed requesting Home Trust forward to the author "a copy of the registered Discharge of Charge/Mortgage". The memo line of the certified cheque made specific reference to Ms. Verma's file number and added the word "discharge".

Ms. Verma also corresponded with a clerk inside Home Trust named Chheat Srel in this time frame via email. She corresponded with Ms. Srel directly although Home Trust had legal counsel on the matter as she knew. In two emails of August 13, 2014, Ms. Verma made passing reference to "the mortgage assignment" or the "assignment amount". There was no discussion of compliance with s. 2 of the *Mortgages Act* nor of Home Trust changing its position refusing to entertain a voluntary assignment of its claim (i.e. not via s. 2 of the *Mortgages Act*). Ms. Srel never picked up on the "assignment references" in Ms. Verma's emails and there is no evidence that Ms. Verma did so with Mr. Walker either. The emails exchanged on August 15 (the date payment was made) make no mention of the word "assignment".

[49] Mr. Missaghi has confirmed that there is no written agreement by which Home Trust agreed to assign the first mortgage apart from the May 5, 2015 document registered on title.

[50] On the basis of this paper trail, there is simply no basis to conclude anything other than that Ms. Verma tendered the amount requested by Home Trust to discharge the mortgage and did so for the express purpose of discharging in full the indebtedness secured thereby. There is no written agreement of any kind in existence to negative those express instructions given by Ms. Verma.

[51] There is no evidence – I discount in so finding the uncorroborated oral evidence of Mr. Missaghi – of any mistake on her part. That is not the sort of mistake a lawyer

could make. Ms. Verma has not admitted to having made one nor ever been asked to do so (at least not on the record before me).

[52] Home Trust through its lawyer was quite clear in writing that Home Trust would do one of only two things: accept payment in full of the mortgage (i.e. discharge) or accept a mandatory assignment under s. 2 of the *Mortgages Act*. At no time did Home Trust indicate a willingness to entertain a voluntary assignment of its claim and charge.

[53] Ms. Verma was not asked to testify or provide an affidavit. There is no evidence from her that might call into question her August 15, 2014 letter. She delivered her final account along with her trust ledger in assembling the trust funds needed to repay the mortgage on August 15, 2014, at least suggesting that she expected her involvement was at an end that day. She has not even confirmed who her client was at that time. Pillar Capital Corporation – for whom Mr. Missaghi alleges she was acting – was not yet incorporated.

[54] What then is the basis of Pillar Capital Corporation's claim that the August 15, 2014 letter and payment nevertheless left a debt outstanding to be assigned?

[55] There is no evidence of *any* communications whatsoever between Ms. Verma or any other person connected to Mr. Missaghi with Home Trust or its counsel between August 15, 2014 and November 24, 2014.

[56] In the interim, two Pillar Capital Corporations were incorporated in circumstances I do not propose to review here. One was in the Cayman Islands (on October 20, 2014) and the other in Ontario (on October 16, 2014). The Ontario corporation was established with Mr. Missaghi's house as its head office and with his (allegedly separated) wife as President. Mr. Missaghi alleges that she was the shareholder of the Cayman corporation as well. The officers and directors of that corporation have not been confirmed.

[57] On November 5, 2014, Mr. Missaghi forwarded an email to Ms. Verma attaching the October 20, 2014 "Certificate of Incorporation" of Pillar Capital Corporation in the Cayman Islands. The email instructed Ms. Verma to "have the assignment of the First mortgage that was paid to Home Trust to be assigned to Pillar Capital Corporation".

[58] On November 24, 2014, Ms. Verma wrote to Home Trust's clerk Ms. Srel rather than to its counsel. She simply announced that she had "handled the payout of the Mortgage Assignment" and that she was now "in the process of preparing the Assignment to a named company". She did not name the company.

[59] On November 27, 2014, Ms. Srel gave Ms. Verma the name of another person at Home Trust (Ms. Ibasco) for Ms. Verma to contact. No further correspondence involving Home Trust between November 27, 2014 and April 10, 2015 has been produced.

[60] On April 10, 2015, Ms. Verma again wrote to Ms. Srel and, in her absence, was put on to the same Ms. Ibasco that Ms. Srel had originally directed her to. Correspondence between Ms. Srel and Ms. Ibasco never raised the question of

whether an assignment had ever been agreed upon in August 2014. It was simply premised on the assumption that an assignment had to be documented at that time. Ms. Verma insisted on the name of a lawyer to sign off on the transfer on Teraview. She was eventually given the name of a different lawyer (not Mr. Walker). On May 4, 2015, Ms. Verma delivered an ultimatum that the assignment had to be registered by the next day or else the matter would be handed to litigation counsel. The transfer was registered the next day.

[61] Nothing in this correspondence chain explains – or refers to – the unequivocal representations regarding discharge made by Home Trust and Ms. Verma in the correspondence exchanged between them. There is *no* evidence of an agreement in existence on August 15, 2014 to conduct a voluntary assignment, still less a voluntary assignment to unknown persons to be named later. There is no corroborated evidence as to the source of the funds used to pay Home Trust and the larger of the two cheques received by Ms. Verma came from the law firm for World Finance. There is no direct evidence from Ms. Verma of something as basic as the name of her client in August 2014 almost three months before Pillar Capital was incorporated. There is no direct evidence from Mr. Walker as to any agreement to assign being confirmed prior to receipt of payment on August 15, 2014. There are numerous letters and emails that have clearly not been produced, at least some of which ought to have been available to Pillar Corporation or Mr. Missaghi. There is no benefit of the doubt to be accorded.

[62] It has been suggested that Ms. Verma has declined to provide any assistance. I don't see evidence of that. She was asked by the respondents lawyers for certain documents in connection with this motion and produced them. Whoever was in fact her client had every right to obtain necessary information from her file or to subpoena her and to waive privilege if need be.

[63] I am not prepared to infer an agreement to assign a mortgage emerging from email correspondence months after the fact involving increasingly aggressive demands made on clerks inside Home Trust – circumventing counsel – resulting in a lawyer apparently agreeing to register a transfer months after the fact under a litigation ultimatum. At that point, Home Trust simply had no interest remaining in the matter and a decision to bend rather than incur litigation expenses for no benefit is explainable if not excusable.

[64] Pillar Capital asks what possible reason could explain the payment on August 15, 2014 if not an assignment? The answer to that question is twofold.

[65] First, it is neither my place nor that of the Applicants to answer the question. There is no contemporary evidence of mistake, there is unequivocal evidence of intent to obtain a discharge. The unexplained questions are for the person claiming the assignment to answer – starting with the absent direct evidence from those directly involved.

[66] Second, the presence of Mr. Mehta on behalf of World Finance in this transaction and the evidence of the third mortgage paying the first and second mortgages over multiple years to keep either from enforcing supplies a ready explanation. The third mortgage had an 18.99% interest rate. This is more than

double the rate charged by Home Trust on the first. The rationale of having the same funds earn interest at the rate of 18.99% as a protective disbursement in lieu of 7.5% as an assigned first mortgage does not seem at all hard to imagine when Mr. Missaghi's common role as "mortgage advisor" for all of the involved entities is factored in.

[67] A debt once discharged cannot be revived by the creditor and assigned to a third party. Other parties, including the second mortgagee Applicants, acquired rights in the interim. The transfer of the Charge under the Land Titles system is always subject to the account between the parties and, in this case, that account stood at $0.00.

[68] I find that the indebtedness of Ms. Drotos to Home Trust secured by the first mortgage was fully paid on August 15, 2014. At the time of payment, there was no existing agreement to assign the mortgage in lieu of a discharge. The May 5, 2015 transfer of charge is a nullity because there was no outstanding obligation to transfer.

(b) If not, what amounts are due under the first mortgage?

[69] The claim of Pillar Capital is set forth in a Mortgage Statement signed by Ms. Alizadeh dated June 14, 2018. The claim in that statement was for a total of $2,360,003.25 plus per diem interest thereafter at the rate of $484.93 per day.

[70] At the hearing, counsel for Pillar Capital withdrew the claim for s. 17 Mortgage Act interest ($41,277.31) and "NSF/Late Fees" ($12,750.00).

[71] I was not asked to verify the principal claim ($1,827,855.67). This amount was represented to be the amount paid to assign/discharge the mortgage on August 15, 2014 rolled forward with compound interest at the contract rate of 7.5% to June 14, 2018. I express no views on the accuracy of the math and expect that, should it become material, the parties will swiftly resolve any issues in that regard.

[72] The following amounts claimed by Pillar Capital were disputed before me: (i) tax paid to City of Toronto plus interest thereon ($373,600.77); (ii) "Property Management Fees" of $19,379.50; (iii) "Property Maintenance CMDF" of $81,360.00; and (iv) legal fees ($3,780 plus unspecified additional amounts).

[73] I make the following findings in respect of such claims should a higher court disagree with my disposition of the assignment question.

[74] The tax claim is evidenced by a document signed by the City of Toronto and registered on title as against the Birchmount property on December 21, 2015 pursuant to s. 345 of the *City of Toronto Act, 2006*, S.O. 2006, c. 11. The document evidences payment on November 30, 2015 of the sum of $307,981.81 by "Pillar Capital Corporation c/o Meridian Law, Professional Corporation". The amount was paid to discharge a tax arrears certificate dated December 23, 2014 that had been registered on title as against the Birchmount property.

[75] Only a person entitled to notice under s. 345(1) of the *City of Toronto Act or an assignee* is entitled to receive notice of the filing of a tax arrears certificate: s. 345(1) *City of Toronto Act*.

[76] Section 346(3) of the same Act provides that if "the cancellation price is paid by a person entitled to receive notice under subsection 345 (1) *or an assignee of that person*, other than the owner of the land or the spouse of the owner, the person has a lien on the land concerned for the amount paid, or, upon payment of the cancellation amount, to become assignee of the resulting lien" (emphasis added).

[77] When the lien was registered (December 23, 2014), Pillar Capital did not appear on title as an assignee of the Home Trust mortgage. It was accordingly not entitled to notice under s. 345(1) of the *City of Toronto Act*. However, by November 30, 2015, Pillar Capital was registered on title as assignee of Home Trust. Home Trust was entitled to receive notice under s. 345(1) of the *City of Toronto Act* when the original certificate was filed in 2014 as it continued to appear on the Land Titles register as holder of a charge even though that obligation had been discharged through payment on August 15, 2014.

[78] I have found that Pillar Capital is not in fact an assignee of Home Trust even though the Home Trust mortgage continued to appear on title when notice was required to be given under s. 345(1) of the *City of Toronto Act*. As such, it is not entitled to the statutory lien prescribed by s. 346(3) of the *City of Toronto Act*. Should a higher court determine that the assignment was valid, then it stands to reason that Pillar Capital is entitled to the statutory lien of $307,981.81.

[79] I have not been provided with any authority to justify a claim for interest on such sum although the *Interest Act*, R.S.C., 1985, c. I-15 or the *Courts of Justice Act*, R.S.O. 1990, c. C.43 may potentially provide a basis to do so. If there is a basis to do so under the allegedly assigned mortgage contract, Pillar Capital has failed to produce the documents upon which such claim would be based.

[80] The claim for "Property Management Fees" in the amount of $19,379.50 and "Property Maintenance CMDF" in the amount of $81,360.00 are both quite unproved. No particulars of either claim were provided in the supporting affidavit of Mr. Missaghi which mentions only that "these fees were properly incurred to maintain snow shoveling and grass cutting on the Birchmount property over the past five-year period and were not incurred to maintain the house dwelling itself".

[81] There is good reason to doubt that any such payments were ever made and no proof that they were paid by or on behalf of Pillar Capital.

[82] Mr. Missaghi was asked for proof of payment of these amounts by or on behalf of Pillar Capital. Those undertakings were not answered for more than two months despite agreement to do so within days. The answers given (that I have ruled may not be relied upon) include CIBC bank statements addressed to "CMDF Landscaping and Property Maintenance Inc" without address and carrying the legend:

> The names shown are based on our current records, as of October 29, 2018. The statement does not reflect any changes in account holders and account holder names that may have occurred prior to this date.

The statements include a variety of deposits, some of which are highlighted and none of which reference the payee or reason for payment.

[83] The respondent produced a number of invoices from "CMDF Landscaping And Property Maintenance Inc." These refer to site visits some of which pre-date the alleged assignment. The invoices appear to have been issued quarterly. None have any address of the client beyond "Pillar Capital Corporation c/o Meridian Law" nor is there any indication of means of delivery. There is some obvious overlap. The "property maintenance and management" invoices ($4,800 plus HST quarterly) include "managing and maintaining property at 4 Birchmount" as well as "grass cutting, property cleaning, property visit". The "weekly property visit" invoices ($2,232 plus HST quarterly) describe "a site visit to ensure property is locked up and monitor vandalism". There is no evidence of any reports of such alleged site visits being prepared or delivered to anyone. There is no evidence that Pillar Capital ever entered into possession of the property. The photographs of the site reviewed by me at the time of the Sale Approval motion (and filed by the Applicants on this motion) show a property that had been abandoned, vandalized and left to the tender mercies of the local wildlife. The contractual ability to claim these amounts has not been demonstrated any more than the fact of the payments has.

[84] I reject those two claims in their entirety.

[85] The last claim was for legal fees. On cross-examination, Mr. Missaghi allowed that the legal fees of $3,780 particularized reflected the fees of Ms. Verma on the assignment transaction. Such fees are not part of the secured mortgage debt and cannot be claimed. No particulars of any other legal fees have been provided.

(c) If not, can the second mortgage cause the subordination of the first by reason of promissory estoppel

[86] Given my conclusions on the question of the payment of the first mortgage on August 15, 2014, it is not necessary for me to decide the promissory estoppel claim raised by the Applicant.

Disposition

[87] Accordingly, I ordered at the conclusion of the hearing that there shall be a declaration that the first mortgage in favour of Home Trust was paid in full on August 15, 2014 and that the assignment dated May 5, 2015 had no object as nothing was then owing. I also directed the Receiver to pay the Applicants the remaining amount due on the second mortgage out of the proceeds of sale of the Birchmount property, such direction being stayed until noon on November 30, 2018 in order to afford Pillar Capital an opportunity to seek a stay of such direction from the Court of Appeal if so advised.

[88] Pillar's counsel requested a stay from me at the close of the hearing that I declined to grant for more than a reasonably brief period. Without in any way seeking to detract from or interfere with rights of appeal, it is in my view more appropriate in cases such as this that the appellate court control the process of an appeal as fully as possible and that implies both duration and conditions of a stay. I declined to exercise

my jurisdiction to stay my own order longer than was necessary to avoid a pointless race to the courthouse so as to allow a free hand to any judge who may need to look at this to dispose of matters as appears best.

[89] The Applicants are entitled to their costs of this proceeding as a claim under their mortgage and will doubtless include same in its final statement to the Receiver for November 30, 2018. However, this is an appropriate case to direct award costs as against Pillar Capital. I award the Applicants their partial indemnity costs as against Pillar Capital. To the extent the Applicants have been reimbursed such costs under the mortgage from proceeds of sale, the amount of costs payable by Pillar Capital shall be held by the Receiver as proceeds of sale of the Birchmount property. To the extent Pillar Capital shall fail to pay such amount, the Receiver shall be entitled to offset such amount as against any moneys due Pillar Capital in respect of the tax lien.

[90] If the parties are unable to resolve the matter of costs, the usual order shall apply. Written submissions not exceeding five pages plus outline of costs to be submitted to me through my assistant by both parties within thirty days and a written ruling will be delivered.

[91] Orders accordingly. The form of order need be approved by the Receiver and counsel for Pillar and the Applicants only. Any disagreement to be resolved by the Receiver's counsel providing me with a draft order along with a *brief* summary of the parties' disagreement. I shall either sign or amend the draft order as is appropriate after considering such summary submissions.

S.F. Dunphy J.

Date: 27 November, 2018

These reasons have been corrected for clerical errors on November 28, 2018.

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[1] As shall be seen, there are TWO Pillar Capital Corporations contending for ownership of the alleged first mortgage. Mr. Missaghi appears to have been connected to the incorporation of both – one in the Cayman Islands and one in Ontario, the Ontario corporation being the first in time.

[2] I have been advised this day that the second motion (between the two Pillar Capital Corporations) has been adjourned pending an appeal of this ruling.

Court File No. CV-18-594590-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 27TH
	)	
JUSTICE DUNPHY	)	DAY OF NOVEMBER, 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

ORDER
(Priority Dispute)

THIS MOTION, made by Rosen Goldberg Inc., in its capacity as receiver and manager (in such capacity, the "**Receiver**") without security of certain property of the Respondent (the "**Debtor**"), originally returnable August 31, 2018, for advice and directions regarding the distribution of funds from the net proceeds of sale of the property municipally known as 4 Birchmount Road, Toronto (the "**Birchmount Property**"), **AND THIS MOTION**, made by the Applicants for an Order directing the Receiver to satisfy the Applicants' second mortgage that was registered against the Birchmount Property, were heard on November 26, 2018, at Toronto.

ON READING the First Report of the Receiver dated May 23, 2018 and the Supplementary Report to the First Report dated May 31, 2018, the Second Report of the Receiver dated June 11, 2018, the Third Report of the Receiver dated August 24, 2018, the Fourth Report of the Receiver dated November 22, 2018, the Affidavit of Stephen Handelman sworn July 30, 2018, the transcript of the cross-examination of Stephen Handelman dated September 20, 2018, the Affidavit of Ara Missaghi sworn September 5, 2018, the transcript of the cross-examination of Ara Missaghi dated September 20, 2018, and the Refusals and Undertakings Brief from the cross-examination of Ara Missaghi dated November 20, 2018, and on hearing the submissions of counsel for (i) the Receiver, (ii) the Applicants, (iii) Pillar Capital Corporation (the entity incorporated in the Cayman Islands) and World Finance Corporation, and (iv) Pillar Capital Corporation (the entity incorporated in Ontario), no one appearing for any other person on the Service List,

1. **THIS COURT ORDERS AND DECLARES** that the first mortgage of Home Trust Company registered on title to the Birchmount Property on September 2, 2006, as instrument number AT1266787 (the "**Home Trust Mortgage**") in the Land Titles Division of the Land Registry Office in Toronto (No. 80), was paid out in full on August 15, 2014.

2. **THIS COURT ORDERS AND DECLARES** that the assignment of the Home Trust Mortgage to "Pillar Capital Corporation", registered on title to the Birchmount Property on May 5, 2015, as instrument number AT3875540, is a nullity.

3. **THIS COURT ORDERS AND DIRECTS** the Receiver to pay to the Applicants the balance outstanding under the Applicants' second mortgage over the Birchmount Property, including interest and costs to the date of payment.

4. **THIS COURT ORDERS AND DECLARES** that Pillar Capital Corporation is not entitled to the statutory lien prescribed by s. 346(3) of the *City of Toronto Act* in respect of the payment for $307,981.81 made by "Pillar Capital Corporation c/o Merdian Law, Professional Corporation" (the "**Tax Lien Payment**"), evidenced by a document signed by the City of Toronto and registered on title to the Birchmount Property on December 21, 2015 (the "**Tax Lien**"), to discharge a tax arrears certificate that had been registered on title to the Birchmount Property on December 23, 2014.

5. **THIS COURT ORDERS** that Pillar Capital Corporation shall pay the Applicants' costs of this motion on a partial indemnity basis, to be fixed.

6. **THIS COURT ORDERS** that to the extent the Applicants have been reimbursed their costs of this motion under their mortgage pursuant to the payment to be made to the Applicants as per paragraph 3 herein, the amount of costs payable by Pillar Capital Corporation shall be held by the Receiver as proceeds of sale of the Birchmount Property. To the extent Pillar Capital Corporation fails to pay such amount, the Receiver shall be entitled to offset such amount as against any moneys due to Pillar Capital Corporation in respect of any amounts due to Pillar Capital Corporation in respect of the Tax Lien Payment.

7. **THIS COURT ORDERS AND DECLARES** that the references in paragraphs 4, 5 and 6 of this Order to Pillar Capital Corporation (save and except for the references in quotation marks in paragraph 4) apply equally to the Pillar Capital Corporation entity incorporated in the Cayman Islands on October 20, 2014, and the Pillar Capital Corporation entity incorporated in Ontario on October 14, 2014.

8. **THIS COURT ORDERS** that the direction regarding payment in paragraph 3 herein is hereby stayed until November 30, 2018.

S.F. Dunphy J.

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

DEC 10 2018

PER / PAR:

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

ORDER
(Priority Dispute)

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Lawyers for the Receiver,
Rosen Goldberg Inc.

Appendix “I”

May 2, 2019

My endorsements
are ~~attached~~. Counsel will
provide the court a
formal order to sign.

Haley J

B+M Handelman v. Drotos CV-18-594590-00CL

1. Responding material to be delivered on or before May 31, 2019

2. Cross Examinations to be completed on or before July 31, 2019

3. Motion to be heard on September ____, 2019, scheduled for 1/2 day before Chiappetta J.

Hainey J

May 2, 2019

B+M Handelman v. Skymark CV-18-593698

(1) Supplementary motion material of 2455657 Ontario Corporation, if any, to be delivered on or before May 16, 2019.

(2) Motion to be heard on June 6, 2019 before Chiappetta J.

May 2, 2019 Hainey J

CV-18-592103-00CL.

Comfort Capital et al v. Yeretsian et al

(1) Examinations to be conducted on the attached schedule.

(2) Anita Verma and Rosalie Mehta examinations contingent on privilege issue being resolved by counsel beforehand, or at a 9:30 am before me,

(3) Barrie Motion (Toronto St.) to be heard June 6, 2019 before Chiappetta J.

(4) Appeal of Notice of Disallowance, motion record to be delivered on or before May 13, 2019. Motion to be heard June 6, 2019 before Chiappetta J.

(5) BTZ Arrears Motion, motion record to be delivered on or before May 7, 2019. Responding material to be delivered on or before <u>May 21</u>, 2019.

BTZ Arrears Motion to be heard June 6, 2019 before Chiappetta J.

(6) Arash Missaghi shall not attend at any examination if ~~any~~ the witness to be examined objects to his attendance.

(7) Receiver to deliver report regarding Claims Process examinations by June 7, 2019.

(8) Case conference briefs to be delivered on or before June 14, 2019.

(9) Case conference with Hainey J. scheduled for June 27, 2019, for 1/2 day.

(10) Formal Order to be taken out regarding examinations (1, 2 + 6)

May 2, 2019 Hainey J.

COMFORT CAPITAL INC. et al v. YERETSIAN et al
Court File No. CV-18-592103-00CL

Examination Schedule

Name	Date of Examination (Oral Examination, unless otherwise indicated)	Lawyer(s) Examining
Arash Missaghi	May 22+23, 2019	Karp, Wygodny, Apel Bouressa
Laila Alizadeh	May 23, 2019	Karp, Wygodny, Apel
Terry Wilson	May 24, 2019	Karp, Wygodny, Apel
Troy Wilson	May 24, 2019	Karp, Wygodny, Apel
Morteza "Ben" Katebian	Written questions by May 10, 2019 Responses by May 17, 2019	Apel
Ashok Madan	May 17, 2019	Zibarras
Golnaz Vakili	May ~~7~~, 2019 21	Zibarras, ~~Karp, Wygodny,~~ Apel
Rasik Mehta	May 14, 2019	Wygodny, Zibarras, Karp
Anita Verma	May 28, 2019	Zibarras
Salma Sheikh	May 16, 2019 (10:00am)	Zibarras
Carlo Esposito	May 17, 2019	Karp
Bita Ghaffari	May 16, 2019 (1:00pm)	Zibarras Wygodny
Margel Fruitman Markovzki	Written questions by May 17, 2019 Responses by May 31, 2019	Zibarras

Appendix “J”

2045 Lakeshore Blvd. W., Unit 3103

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 *

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 BOROUGE 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.

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					

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
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: B965051, 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	

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
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: BI-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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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 ***		

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

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: AT3396418.						
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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Appendix “K”

Lynda Christodoulou

From:	Brian Shiller <BShiller@rubyshiller.com>
Sent:	Monday, January 07, 2019 10:02 PM
To:	Maya Poliak
Subject:	Money Gate Mortgage Investment Corporation (Plaintiff) v. 2546456 Ontario Inc. (Defendant) Court File: CV-18-601199-00CL
Attachments:	Document.pdf; special resolutions[1].pdf; Share Cert - A13MG[1].pdf

Good Evening Ms. Poliak:

I am counsel to 2496050 which owns 50% of the Dovercourt property. As you are aware, the other 50% is owned by Payam Katebian. A copy of the share purchase agreement dated May 16, 2017 is attached. A copy of the share certificate is attached as well.

As part of the deal to purchase 50 percent of the shares, our client and Mr. Katebian agreed that a special resolution of the shareholders would be executed to ensure that the property would not be further encumbered without the consent of all shareholders. A copy of the Special Resolution dated May 15, 2017 is attached.

The mortgage placed on Dovercourt by MGMIC is dated June 5, 2017. The mortgage was negotiated without my client's knowledge and in contravention of the Special Resolution. Despite that the mortgage funds were advanced, they were advanced by MGMIC to one of its principles, Payam Katebian and no portion of the funds was advanced to my client. I am instructed to bring an action to invalidate the mortgage. It is my view that the facts clearly support an injunction against MGMIC requiring it to hold the funds received from the payout.

Can you please provide copies of the direction regarding funds and any other supporting documents that will show where the money went? Can you advise who acted on behalf of the MGMIC in the transaction?

Will the receiver agree to hold the funds (assuming court approval) pending resolution of the issues set out above?

Regarding the approval motion, can you please advise if MGMIC is opposing the sale?

It is our view that the motion to approve the sale was brought on short notice considering the intervening holidays and that there are issues related to the failure of the receiver to deliver the sealed documents to stakeholders. Would MGMIC support an adjournment of the sale approval motion?

May I please hear from you by the end of the day tomorrow?

Brian Shiller

RUBY
SHILLER
ENENAJOR
DIGIUSEPPE
BARRISTERS

92 Isabella Street, Toronto, Ontario M4Y 1N4
T: 416 964 9664 • **F**: 416 964 8305 • **W**: rubyshiller.com
E: bshiller@rubyshiller.com

"The information contained in this electronic message is legally privileged and confidential information that is exempt from disclosure under applicable law and is intended only for the use of the individual or entity to which it is addressed. If you have received this communication in error, please notify us immediately by telephoning (416) 964-9664 or by email at bshiller@rubyshiller.com Thank you for your cooperation."

SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT (the "Agreement") made and entered into this 16th day of May, 2017 (the "Execution Date"),

BETWEEN:

Payam Katebian

(the "Seller")

OF THE FIRST PART

and

2496050 Ontario Corp, operating as A13MG

(the "Purchaser")

OF THE SECOND PART

BACKGROUND:

I. The Seller is the owner of record of 100 (one hundred) shares (the "Shares") of 2546456 Ontario Inc. (the "Corporation") that the Seller wishes to sell.

II. The Seller desires to sell 50 (fifty) of the Shares to the Purchaser and the Purchaser desires to purchase 50 (fifty) of the Shares from the Seller.

III. **Whereas** the total issued and outstanding voting common shares of 2546456 Ontario Inc. is one hundred (100) voting common shares (the "Shares"); and

IV. **Whereas** the parties hereto represent and warrant said Shares to be one hundred percent (100%) of the issued and outstanding shares of 2546456 Ontario Inc. as of May 16, 2017; and

V. **Whereas** said Shares are fully paid-up and non-assessable; and

VI. **Whereas** no agreement or option exists pursuant to which 2546456 Ontario Inc. is or may be obliged to issue further shares of its authorized capital;

IN CONSIDERATION OF and as a condition of the parties entering into this Agreement and other valuable consideration, the receipt and sufficiency of which consideration is acknowledged, the parties to this Agreement agree as follows:

Purchase and Sale

1. Except as otherwise provided in this Agreement, all monetary amounts referred to in this Agreement are in CAD (Canadian Dollars).

2. The Seller agrees to sell and the Purchaser agrees to purchase all the rights, title, interest, and property of the Seller in the 50 (fifty) Shares for an aggregate purchase price of $375,000.00 (the "Purchase Price").

3. A fixed sum of $375,000.00 (three hundred seventy five thousand dollars) will be payable on closing of this Agreement.

4. All payments will be in the form of certified check, wire transfer, or bank draft of immediately available funds. In the case of a direct wire transfer the Seller will give notice to the Purchaser of the bank account particulars at least 5 business days prior to the Closing Date.

Representations and Warranties of the Seller

5. The Seller warrants and represents to the Purchaser as follows:

   a. The Seller would not be recognized as an issuer, insider, affiliate, or associate of the Corporation as defined or recognized under applicable securities laws and regulations.

   b. Except as provided in the incorporating documents of the Corporation or as indicated on the face of the certificates for the Shares, the Purchaser would not be prevented or restricted in any way from re-selling the Shares in the future.

   c. The Seller is the owner in clear title of the Shares and the Shares are free of any lien, encumbrance, security interests, charges, mortgages, pledges, or adverse claim or other restriction that would prevent the transfer of clear title to the Purchaser.

   d. The Seller is not bound by any agreement that would prevent any transactions connected with this Agreement.

e. There is no legal action or suit pending against any party, to the knowledge of the Seller, that would materially affect this Agreement.

Representation and Warranties of the Purchaser

6. The Purchaser warrants and represents to the Seller as follows:

   a. The Purchaser would not be recognized as an issuer, insider, affiliate, or associate of the Corporation as defined or recognized under applicable securities laws and regulations.

   b. The Purchaser is not bound by any agreement that would prevent any transactions connected with this Agreement.

   c. There is no legal action or suit pending against any party, to the knowledge of the Purchaser, that would materially affect this Agreement.

Closing

7. The closing of the purchase and sale of the Shares (the "Closing" will take place on May 16, 2017 (the "Closing Date") at the offices of the Seller or at such other time and place as the Seller and the Purchaser mutually agree. At Closing and upon the Purchaser paying the Purchase Price in full to the Seller, the Seller will deliver to the Purchaser duly executed transfers of the Shares.

Expenses

8. All parties agree to pay all their own costs and expenses in connection with this Agreement.

Finder's Fees

9. No party to this Agreement will pay any type of finder's fee to any other party to this Agreement or to any other individual in connection to this Agreement.

10. All parties to this Agreement warrant and represent that no investment banker or broker or other intermediary has facilitated the transaction contemplated by this Agreement and is entitled to a fee or commission in connection with said transaction. All parties to this Agreement indemnify and hold harmless all other parties to this Agreement in connection with any claims for brokerage fees or other commissions that may be made by any party pertaining to this Agreement.

Dividends

11. Any dividends earned by the Shares and payable before the Closing of this Agreement will belong to the Seller and any dividends earned by the Shares and payable after the Closing of this Agreement will be split with the Purchaser.

12. Any rights to vote attached to the Shares will belong to the Seller before the Closing and will be split with the Purchaser after the Closing.

Miscellaneous

13. Time is of the essence in this Agreement.

14. This Agreement may be executed in counterparts. Facsimile signatures are binding and are considered to be original signatures.

15. All warrants and representations of the Seller and the Purchaser connected with this Agreement will survive the Closing.

16. This Agreement will not be assigned either in whole or in part by any party to this Agreement without the written consent of the other party.

17. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in the neuter gender include the masculine gender and the feminine gender and vice versa.

18. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.

19. This Agreement contains the entire agreement between the parties. All negotiations and understandings have been included in this Agreement. Statements or representations which may have been made by any party to this Agreement in the negotiation stages of this Agreement may in some way be inconsistent with this final written Agreement. All such statements are declared to be of no value in this Agreement. Only the written terms of this Agreement will bind the parties.

20. This Agreement and the terms and conditions contained in this Agreement apply to and are binding upon the Seller and the Purchaser and their respective successors, assigns, executors, administrators, beneficiaries, and representatives.

21. Any notices or delivery required here will be deemed completed when hand-delivered, delivered by agent, or seven (7) days after being placed in the post, postage prepaid, to the parties at the addresses contained in this Agreement or as the parties may later designate in writing.

22. All of the rights, remedies and benefits provided by this Agreement will be cumulative and will not be exclusive of any other such rights, remedies and benefits allowed by law.

IN WITNESS WHEREOF the Seller and Purchaser have duly affixed their signatures under hand and seal on this 16th day of May, 2017.

Payam Katebian (Seller)

Jonathane Ricci

JonathaneRicci. ~~A13MG in Trust~~ (Purchaser)

UNANIMOUS SHAREHOLDERS

SPECIAL RESOLUTION

2546456 ONTARIO INC.

(the "Corporation")

TO: THE DIRECTORS and SHAREHOLDERS of the Corporation

WHEREAS Article 8 of the Articles of Incorporation of the Corporation currently states that "No shares of the Corporation shall be transferred without (a) the consent of the Directors of the Corporation expressed by a resolution passed by a majority of the Directors or by an instrument or instruments in writing signed by all of the Directors or (b) the consent of the Voting Common shareholders by resolution passed by a majority of such shareholders at a meeting of such shareholders entitled to vote thereat, or by consent in writing of all of such shareholders entitled to vote"; and

WHEREAS the sole voting shareholder of the Corporation desires to change the provisions of such Article 8, as well as change certain borrowing provisions if the by-laws and other articles of such Corporation, by passing this unanimous special resolution pursuant to the provisions of the Business Corporations Act (Ontario),

NOW, Be It Resolved THAT:

Article 8 shall now read as follows:

No shares of the Corporation shall be transferred without the consent of the Voting Common shareholders by resolution passed by a majority of such shareholders at a meeting of such shareholders entitled to vote thereat, or by consent in writing of all of such shareholders entitled to vote.

Be It Further Resolved THAT:

ONLY upon the consent of the Voting Common shareholders by resolution passed by a majority of such shareholders at a meeting of such shareholders entitled to vote thereat, or by consent in writing of all of such shareholders entitled to vote, may the Corporation be permitted to: borrow any sums of money; sign, execute, and endorse documents as may be required to evidence such indebtedness; discount or rediscount any bills receivable owned by the Corporation; apply for and obtain letters of credit, and execute agreements related thereto; pledge and/or mortgage any moneys, bonds, stocks, shares, receivables, real estate and/or other property of the Corporation; secure the payment of any indebtedness, liability, or obligation of the Corporation whether now due or to become due and whether existing or hereafter incurred; withdraw and/or substitute any property held at any time as collateral; sign and execute trust receipts for the withdrawal of same when required; and generally do and perform any and all acts and/or sign any and all agreements, obligations, pledges, and/or other instruments necessary, required and/or needed by the Corporation in any manner thereto.

THE UNDERSIGNED, being the sole common voting shareholder of the Corporation and being fully authorized by the Corporation hereto, hereby pass and ratify the foregoing resolution pursuant to the provisions of the Business Corporations Act (Ontario).

DATED and EFFECTIVE the 15th day of MAY, 2017

Payam Katebian

NO. 002 INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ONTARIO **50 SHARES**

Subject to the Business Corporations Act (Ontario)

2546456 Ontario Inc.

This is to certify 2496050 Ontario Corp
is the registered holder of fifty
Common Shares in the capital of
2546456 Ontario Inc.

The class or series of shares represented by this Certificate has rights, priveleges, restrictions or conditions attached thereto and the Corporation will furnish to a shareholder, on demand and without charge, a full copy of the text of:
(i) the rigthts, priveleges, restrictions and conditions attached to the shares represented by this certificate and to each class authorized to be issued and to each series insofar as the same have been fixed by the directors; and
(ii) the authority of the directors to fix the rights, priveleges, restrictions and conditions of subsequent series, if applicable.

The Corporation has a lien on the shares represented by this certificate for the indebtedness of the shareholder to the Corporation.

The right of the shareholder to transfer the shares represented by this Certificate is subject to restrictions.
The transfer of shares represented by this certificate is subject to an agreement dated May 16th, 2017

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by its duly authorized officers.
DATED this 16th day of May, 2017

President (Payam Katebian)

Secretary (Payam Katebian)

Appendix “L”

Court File No. CV-11-9348-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MR.	)	WEDNESDAY, THE 23RD DAY
	)	OF JANUARY, 2019
JUSTICE MCEWEN	)	

BETWEEN

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Plaintiff

and

2546456 ONTARIO INC.

Defendant

ORDER

THIS MOTION, made by Ira Smith Trustee & Receiver Inc., in its capacity as the Court-Appointed Receiver (the "Receiver") over the lands and premises registered in the name of 2546456 Ontario Inc. (the "Debtor") for an Order, *inter alia*, sealing the Agreement of Purchase and Sale of the property municipally known as 558 Dovercourt Road, Toronto, Ontario (the "Property"), the Summary of Offers and the appraisals related thereto, as well as approving the interim distribution to the secured stakeholders and the activities and professional fees of the Receiver and its counsel, was heard this day at 330 University Avenue, 8th Floor, Toronto, Ontario.

ON READING the First Report of the Receiver dated December 15, 2018 (the "First Report") and upon hearing the submissions of counsel for the Receiver, no one else attending although duly served with notice of the within motion,

1. **THIS COURT ORDERS** that any requirement for service of the Notice of Motion, the Report and the Motion Record be and are hereby abridged, that the motion is properly returnable today, that all parties requesting notice of this motion have been duly served and that service on all parties is hereby validated and any further service is hereby dispensed with.

2. **THIS COURT ORDERS AND DECLARES** that the Agreement of Purchase and Sale of the Property as well as the Summary of Offers prepared by the Receiver as outlined in the First Report be and are hereby sealed pending the filing of the Receiver's Certificate as to the closing of the sale transaction contemplated by the Agreement of Purchase and Sale or further Order of this Honourable Court.

3. **THIS COURT ORDERS AND DECLARES** that the appraisals obtained by the Receiver as outlined in the First Report be and are hereby sealed pending the filing of the Receiver's Certificate as to the closing of the sale transaction contemplated by the Agreement of Purchase and Sale or further Order of this Honourable Court.

4. **THIS COURT ORDERS AND DECLARES** that the Receiver be and is hereby authorized and directed to make a distribution to the secured stakeholders as follows:

   - To the First Mortgagees, 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.; B & M Handelman Investments Limited; Handelman, Carol in the amount of $1,508,534.46; and

- To the Second Mortgagee, Grant Thornton Limited in its capacity as the Court-Appointed Receiver of Money Gate Mortgage Investment Corporation, in the amount of $391,027.14.

5. **THIS COURT ORDERS AND DECLARES** that the actions and activities of the Receiver as set out in the First Report be and are hereby approved.

6. **THIS COURT ORDERS AND DECLARES** that the professional fees and disbursements of the Receiver from June 5, 2018 to December 13, 2018 as contained in the First Report be and are hereby approved.

7. **THIS COURT ORDERS AND DECLARES** that the professional fees and disbursements of the Receiver's legal counsel, Macdonald Sager Manis LLP, from November 6, 2018 to December 14, 2018, as contained in the First Report be and are hereby approved.

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

JAN 2 3 2019

PER / PAR: RW

MONEY MORTGAGE INVESTMENT CORPORATION -and- 2546456 ONTARIO INC.

Applicant Respondent

Court File No. CV-18-601199-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

ORDER

MACDONALD SAGER MANIS LLP
Lawyers and Trade-mark Agents
150 York Street, Suite 800
Toronto, Ontario, M5H 3S5

Telephone: (416) 364-1553
Telefax: (416) 354-1453

Howard F. Manis
Direct: (416) 364-5289
LSUC: 34366V

Lawyers for the Receiver,
Ira Smith Trustee & Receiver

9:58 a.m

COUNSEL SLIP

COURT FILE NO CV-18-00601199-00CL DATE 23 January 2019.

NO ON LIST 4.

TITLE OF PROCEEDING: Money Gate Mortgage Investment Corp. v. 2546456 ONTARIO INC.

COUNSEL FOR: PLAINTIFF(S) APPLICANT(S) PETITIONER(S): H. MANIS

PHONE & FAX NOS: E- (416) 364-5289 F- (416) 364-1453 HMANIS@MSTLAW.CA

COUNSEL FOR: DEFENDANT(S) RESPONDENT(S): The Money Gate Receiver
T: 416-218-1161
F: 416-218-1844
E: maya@chaitons.com

PHONE & FAX NOS

23 Jan 19

Vesting order and order providing for interim distribution shall go as per the drafts filed & signed. Purchase price is reasonable.

Receiver GTL will be holding on to the funds as per para 4 pending the resolution of the distribution order in the Money Gate proceedings.

McEwen J.

Appendix “M”

Ontario ServiceOntario

LAND REGISTRY OFFICE #65

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

03224-0005 (LT)

PREPARED FOR akrancevic
ON 2019/03/05 AT 13:37:00

* 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 **						
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
REMARKS: SITE PLAN						

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
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.		
REMARKS: RE: LT1384947						

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
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.						
YR1277255	2009/01/15	NOTICE		*** COMPLETELY DELETED ***		

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				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.	
REMARKS: YR829237.						

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
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	
YR1992630	2013/06/20	CERTIFICATE		*** COMPLETELY DELETED ***		

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				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.						
YR2395832	2015/11/27	TRANSFER OF CHARGE		*** COMPLETELY DELETED ***		

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				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		*** COMPLETELY DELETED *** SKYMARK PROPERTIES IV INC.	2399021 ONTARIO INC.	
YR2899258	2018/11/20	CHARGE	$2,500,000	SKYMARK PROPERTIES IV INC.	TARAGAR HOLDINGS INC. LEVINE, PETER LEVINE, HEATHER USHJO ENTERPRISES LTD. RALCAP INVESTMENTS CORP. EBGROW INVESTMENT CORP. THE SALZ CORPORATION KELMAN, MARTIN MISIM INVESTMENTS LIMITED	C
YR2899288	2018/11/20	NO ASSGN RENT GEN		SKYMARK PROPERTIES IV INC.	TARAGAR HOLDINGS INC. LEVINE, PETER LEVINE, HEATHER	C

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
					USHJO ENTERPRISES LTD. RALCAP INVESTMENTS CORP. EBGROW INVESTMENT CORP. THE SALZ CORPORATION KELMAN, MARTIN MISIM INVESTMENTS LIMITED	
REMARKS: YR2899258						
YR2899514	2018/11/20	DISCH OF CHARGE		*** COMPLETELY DELETED *** 2399021 ONTARIO INC.		
REMARKS: YR2877640.						

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Appendix "N"

Court File No. CV-18-596922-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

THE HONOURABLE MR.	)	TUESDAY, THE 8TH
	)	
	)	
JUSTICE WILTON-SIEGEL	)	DAY OF MAY, 2018

SUPERIOR COURT OF JUSTICE COUR SUPÉRIEURE DE JUSTICE

B E T W E E N :

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

ENIGMA LAND LTD., 2399021 ONTARIO INC., 2381438 ONTARIO CORPORATION, CROWN CAPITAL CORPORATION and YORK REGION CONDOMINIUM CORPORATION NO. 595

Respondents

ORDER

ON HEARING the submissions of counsel for the Applicant and the Respondent 2399021 Ontario Inc. ("239 Ontario"), no other parties appearing although properly served as appears from proof of service: ON CONSENT

1. THIS COURT ORDERS that following the closing of the sale of the property municipally known as 4342 Steeles Avenue West, Vaughan, Ontario (the "Property"), 239 Ontario shall pay the total sum of $375,000.00 into court to the credit of this proceeding.

2. THIS COURT ORDERS that the Applicant shall, within 30 days of the payment into court of the funds referenced at paragraph 1 of this Order, convert the within application into an action.

3. THIS COURT ORDERS that in the action referenced at paragraph 2 above, 239 Ontario shall be at liberty to claim for costs thrown away in Court File No. CV-18-597166.

4. THIS COURT ORDERS that the Applicant shall deliver a letter on May 8, 2018 to the Land Registry Office #27 requesting the withdrawal of the caution registered by it on title to the Property.

5. THIS COURT ORDERS that in the event the closing of the Property is not completed on or before June 30, 2018, MGMIC and 239 Ontario thereafter reserve all rights and remedies available to them at law and in equity with regard to their position as mortgagees of the Property.

Rm. Ittleman MAY 1 1 2018

R. Ittleman, Registrar
Superior Court of Justice

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

MAY 1 5 2018

PER / PAR: NB

MONEY GATE MORTGAGE INVESTMENT CORPORATION
Applicant

and

ENIGMA LAND LTD., *et al.*
Respondents

Court File No.: CV-18-596922-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at TORONTO

ORDER

LEVINE SHERKIN BOUSSIDAN
BARRISTERS
23 LESMILL ROAD, SUITE 300
TORONTO, ON M3B 3P6

Mitchell Wine LSUC#: 23941V
Tel: 416.224.2400 x 116
Fax: 416.224.2408
Email: mitch@lsblaw.com

Lawyers for the Applicant

Appendix “O”

9:30A.M.

H

COUNSEL SLIP

COURT FILE NO CV-18-596922-00CL

DATE Aug 20, 2018

NO ON LIST 1

TITLE OF PROCEEDING: MONEY GATE MORTGAGE INVESTMENT CORP v. ENIGMA LAND LTD etal

COUNSEL FOR:		PHONE & FAX NOS
~~PLAINTIFF(S)~~ APPLICANT(S) PETITIONER(S)	MITCHELL WINE LEVINE SHERKIN BOUSSIDAN	416-224-2400 416-224-2408 mitch@lsblaw.com
DEFENDANT(S) RESPONDENT(S)	Bradley Phillips Wagner Sidlofsky LLP	416 366-3153 416 364-6579 bphillips@wagnersidlofsky.com

August 20/18

My Endorsement is attached

Hainey J

August 20/18

ENDORSEMENT

MONEY GATE V. 2399021 ONTARIO ('239')

ORDER/ENDORSEMENT TERMS

(1) 239 SHALL GIVE MONEY GATE 14 DAYS' NOTICE OF THE COMPLETION OF AN AGREEMENT OF PURCHASE AND SALE.

(2) IF THE PROPERTY SELLS BEFORE THE RETURN OF THE MOTION TO APPOINT A RECEIVER ON OCTOBER 10, 2018, 239 SHALL PAY INTO COURT THE AMOUNT OF MONEY GATE'S MORTGAGE PLUS INTEREST TO OCTOBER 10, 2018. THIS AMOUNT IS $320,000 PRINCIPAL PLUS 12.5% INTEREST PER YEAR.

(3) Costs of this motion reserved to the judge hearing the motion to appoint a receiver.

MONEY GATE

2399021

Hainey J.

Appendix "P"

293 Euclid Ave,
Toronto

Ontario ServiceOntario

LAND REGISTRY OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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						

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Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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 *

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 ***		

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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.

Ontario ServiceOntario

LAND
REGISTRY
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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 *

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.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

Appendix “Q”

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

AFFIDAVIT OF JONATHAN KRIEGER

I, JONATHAN KRIEGER, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a Senior Vice President of Grant Thornton Limited ("**GTL**"), Court-appointed Receiver of Money Gate Mortgage Investment Corporation (the "**Company**") and as such, have knowledge of the matters hereinafter deposed except where stated to be upon information in which case I do verily believe such information to be true. This affidavit is made in support of the Receiver's motion, among other things, to approve its accounts.

2. Attached and marked as **Exhibit "A"** to this my affidavit is a detailed billings setting out the fees and disbursements of GTL incurred in its role as Receiver of the Company from November 5, 2018 to March 31, 2019, in the total amount of $100,868.75, disbursements of $175.29 and HST of $11,604.38 and such is summarized on Exhibit "**B**" to this my affidavit. The average hourly rate is $369.05.

3. Given the complexity of this insolvency matter, I believe the hourly rates and the total amount of fees are reasonable and comparable for insolvency services of this nature rendered by other firms in the City of Toronto.

4. This affidavit is sworn in connection with the approval of the fees and disbursements of GTL and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 9th day of May, 2019. Commissioner for Taking Affidavits, etc.	JONATHAN KRIEGER

Faddie-Ann Lakeram,
a Commissioner, etc., Province of Ontario,
For Grant Thornton Limited.
Expires March 30, 2020.

Exhibit "A" to the Affidavit of Jonathan Krieger,
sworn before me this 9th day of May, 2019.

Faddle-Ann Lakeram,
a Commissioner, etc., Province of Ontario,
For Grant Thornton Limited.
Expires March 30, 2020.

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 UNDER SECTION 126 and 129 OF THE SECURITIES ACT R.S.O. 1990, c. S.5, AS AMENDED

BILL OF COSTS

BN 12738 4717 RT0001
Client #254817
Invoice#LSON-5015/5158

To professional services rendered as Receiver for the period from December 1, 2018 to March 31, 2019.

Date	Full Name	Hours	Detail
December 3, 2018	Charles Skelton	2.00	Compile figures, draft payout statement for property receivership.
December 3, 2018	Jason Knight	3.40	Continue preparation of source and use of funds analysis for RBC bank account; Administer case website; Prepare for and attend call with the Ministry of the Environment re: Mansteel Property; Internal debrief to discuss next steps re: Mansteel and Timmins properties.
December 3, 2018	Jonathan Krieger	1.80	Correspondence with team re: Temiskamig project; Correspondence re: matters related to source and use of funds analysis; Correspondence re: OSC relief; Meeting with team re: discussion of information for receiver of Dovercourt; Correspondence re: matters related to Ministry position on Temiskamig and understanding of deposits; Correspondence re: matters related to position on Birchmount.

Date	Full Name	Hours	Detail
December 3, 2018	Rosa Wilford	0.50	Review internal instructions from team re Banking; Follow-up correspondences and voicemail with institutions; re statement and copies.
December 4, 2018	Charles Skelton	3.00	Prepare property summary, attend conference call with MOE.
December 4, 2018	Jason Knight	0.90	Draft correspondence re: appraisers of properties in Northern Ontario; Correspondence with MGMIC and counsel to same re: call to be scheduled and discuss same internally; Research appraisers in Northern Ontario re: Timmins and Mansteel property.
December 4, 2018	Rosa Wilford	0.50	Respond to Bank phone call; Email; Notify team.
December 5, 2018	Jason Knight	3.80	Prepare for and attend internal file update meeting; Prepare for and attend conference call with MGMIC and counsel to same re: various matters and debrief call with team; Review materials provided by OSC re: Boake/King/Euclid properties and responding materials filed by Hazelton Homes.
December 5, 2018	Jonathan Krieger	1.30	Team meeting re: review of action items on properties; Correspondence with counsel re: position on properties; Update from team on call with principals; Correspondence re: matters related to ROEs.
December 6, 2018	Jason Knight	1.60	Correspondence with Principals re: various matters and required information; Draft correspondence to engineering firm previous engaged by MGMIC re: Mansteel Property; Draft email correspondence to appraisers re: Mansteel and Timmins Properties; Draft correspondence to Uniboard Canada re: Mansteel.
December 7, 2018	Charles Skelton	2.40	Preparation of property summaries; review of information provided by principals.
December 7, 2018	Jason Knight	1.10	Prepare for and attend call with OSC re: recent materials filed; Correspondence internally re: status of banking information requested; Various correspondence with appraisers re: Mansteel and Timmins properties and providing requested information re: same; Phone call with engineering firm re: Mansteel Property.
December 7, 2018	Rosa Wilford	0.25	Follow-up correspondence / voicemail with Bank re Bank records; Email.
December 10, 2018	Charles Skelton	2.30	Analysis of payout figures for Receiver.

Date	Full Name	Hours	Detail
December 10, 2018	Jason Knight	1.10	Review information provided by P. Katebian re: Dovercourt and discuss same internally; Internal discussions and correspondence re: appraisals to be performed on Mansteel and Timmins; Draft correspondence to appraiser re: Mansteel and Timmins; Various correspondence with appraisers re: information required for appraisal of Mansteel and Timmins.
December 10, 2018	Jonathan Krieger	1.10	Call with Chaitons re: review of matters related to Birchmount, Palace Pier; Correspondence with team re: information on Dovercourt; Correspondence re: OSC inquiries.
December 11, 2018	Charles Skelton	0.20	Correspondence to investors.
December 11, 2018	Jason Knight	1.90	Review draft payout statement re: Dovercourt; Revise payout statement and review supporting documentation to determine interest and fees outstanding on the mortgage; Draft email correspondence to team re: payout statement and support for calculation of amount to be remitted; Internal discussions re: payout; Review correspondence re: banking documents requested; Review employee documentation from P. Katebian.
December 11, 2018	Jonathan Krieger	0.40	Review of Dovercourt Payout statement; Inquiries thereto.
December 12, 2018	Charles Skelton	3.10	Correspondence, call with counsel, correspondence with bank, correspondence to Receiver on Dovercourt.
December 12, 2018	Jason Knight	1.20	Revise payout statement for Dovercourt and compile supporting documentations to include in letter to receiver; Perform analysis on potential surplus from sale of Dovercourt property and discuss same internally.
December 12, 2018	Rosa Wilford	0.50	Review payments; Prepare disbursement requisition forms; Post invoice entries; Issue cheques; General banking administration.
December 13, 2018	Charles Skelton	1.70	Updates to property summary for Euclid, Steeles.
December 13, 2018	Jason Knight	2.20	Prepare for and attend conference call with engineering firm re: Mansteel property; Prepare for and attend conference call with counsel re: file update and status of ongoing litigation; Internal meeting to discuss file status and next steps; Draft correspondence to appraisers re: Timmins property; Review correspondence from RBC re: requested bank statements; Discuss and assist in preparation of ROEs.

Date	Full Name	Hours	Detail
December 13, 2018	Jonathan Krieger	0.80	Correspondence and discussions re: matters related to mortgages on properties, monetization thereto; Correspondence re: Birchmount flow of funds, matters related to alternate properties.
December 14, 2018	Charles Skelton	0.40	Correspondence with Bank.
December 17, 2018	Jason Knight	0.60	Review correspondence re: counsel to Missaghi and Birchmount Property; Review information provided by engineer re: Mansteel property; Draft summary of conversation with engineer re: Mansteel property and discuss same internally.
December 17, 2018	Rosa Wilford	0.10	Review estate bank account and reconcile November statement.
December 18, 2018	Jonathan Krieger	0.30	Correspondence from Cassels Brock re: proposed meeting; Correspondence with team thereto; Follow up with counsel.
December 19, 2018	Charles Skelton	1.10	Review bank statements, correspondence to bank.
December 21, 2018	Jonathan Krieger	1.00	Review of materials re: open issues for review, registrations; Correspondence re: matters related to position of other mortgagees.
December 22, 2018	Jason Knight	1.10	Review materials provided by P. Katebian re: litigation surrounding 1 + 12 including affidavits filed by investors related to MGMIC; Review motion materials re: sale of Dovercourt property by Ira Smith (Receiver) and document notes on same.
December 27, 2018	Jason Knight	0.30	Various correspondence with counsel re: Dovercourt property.
December 31, 2018	Jonathan Krieger	0.80	Review of correspondence from OSC: Correspondence with counsel re: Motion record; Review of motion record.
January 3, 2019	Jonathan Krieger	1.30	Correspondence and discussions re: matters related to Dovercourt mortgage and payout; Correspondence re: matters related to relief on northern Ontario properties; Review of correspondence re: matters related to OSC actions.
January 7, 2019	Jonathan Krieger	1.20	Discussion with counsel re: matters related to Birchmount property and request from counsel to mortgagee; Correspondence re: matters related to position of shareholder on Dovercourt; Correspondence with counsel thereto; Correspondence with team re: OSC materials.

Date	Full Name	Hours	Detail
January 8, 2019	Jonathan Krieger	0.50	Correspondence with Chaitons re: matters related to position on Dovercourt, considerations thereto.
January 9, 2019	Charles Skelton	2.10	Review of disclosure documents.
January 9, 2019	Jonathan Krieger	1.80	Correspondence and call with Chaitons re: matters related to position of Receiver on Dovercourt, correspondence re: matters related to position on first mortgagee claim and considerations thereto, review of property status and action items required; Conf call with counsel and counsel to mortgagee on Birchmount re: considerations related to property, amounts owing on mortgage, subsequent correspondence thereto.
January 10, 2019	Charles Skelton	1.00	Call with counsel and other parties' counsel, internal discussion re file.
January 11, 2019	Charles Skelton	0.70	Call with principal re properties, o/s mortgage registration, intentions regarding refinancing.
January 11, 2019	Rosa Wilford	0.10	Review estate bank account and reconcile December statement.
January 14, 2019	Charles Skelton	0.60	Review exhibits list, correspondence with OSC.
January 14, 2019	Jason Knight	0.90	Review correspondence received from engineering re: Mansteel Property and draft correspondence to team re: same; Correspondence re: FSCO letter and documentation re: same; Correspondence with appraiser re: appraisals of Timmins and Mansteel.
January 14, 2019	Jonathan Krieger	1.00	Review of information re: Mansteel property re: valuation and proposal for services; Correspondence with team re: timing of information; Correspondence re: regulatory inquiry.
January 14, 2019	Mandi Quirk	0.20	Call with Service Canada we ROE edit on last day worked.
January 14, 2019	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
January 15, 2019	Jason Knight	0.90	Prepare for and attend internal meeting re: file update and next steps re: same; Phone conversation with FSCO; Draft correspondence to FSCO re: contact information.
January 15, 2019	Jonathan Krieger	0.50	Call with FSCO re: inquiries; Discussions with team re: matters related to valuations.

Date	Full Name	Hours	Detail
January 16, 2019	Charles Skelton	1.10	Correspondence with principal re mortgages; internal discussion re mortgages.
January 16, 2019	Jonathan Krieger	0.30	Correspondence with Chaitons re: matters related to potential settlement on Dovercourt; Review of correspondence from OSC.
January 16, 2019	Rosa Wilford	0.25	Correspondence with Bank re Bank statements; Email.
January 17, 2019	Charles Skelton	0.70	Prepare for, conduct call re OSC motion.
January 17, 2019	Jason Knight	2.70	Prepare for and attend conference call with the OSC; Internal discussions re: Euclid property; Prepare rolling schedule of bank activity for gap period of RBC bank statements; Prepare a summary schedule outlining the schedule advances of the remaining mortgage out of the TD and RBC bank accounts.
January 18, 2019	Charles Skelton	0.70	Review of mortgage documents, correspondence to guarantor.
January 18, 2019	Jason Knight	0.20	Discuss items to be requested from RBC and TD to support transactions.
January 21, 2019	Charles Skelton	1.50	Prepare updated mortgage payout statement.
January 21, 2019	Jason Knight	0.50	Prepare for and attend conference call with counsel to Uniboard re: Mansteel property.
January 21, 2019	Rosa Wilford	0.25	Review email correspondence from Bank; Notify team; Provide supporting statements; General banking administration.
January 23, 2019	Charles Skelton	0.70	Call with principal, correspondence re: mortgage.
January 23, 2019	Jason Knight	0.40	Internal discussions re: Euclid and Mansteel properties; Review correspondence from P. Katebian re: Euclid and other matters.
January 23, 2019	Jonathan Krieger	1.20	Review of Dovercourt discharge statement; Correspondence with team re: matters related to findings on Birchmount, correspondence with counsel, review of supporting information.
January 24, 2019	Charles Skelton	1.50	Prepare summary of issue re previous mortgage from principal.
January 24, 2019	Jason Knight	0.30	Review correspondence from P. Katebian re: Euclid property and discuss same internally; Internal discussions re: outstanding matters and next steps re: same.

Date	Full Name	Hours	Detail
January 24, 2019	Rosa Wilford	0.25	Review internal email instructions from team re Banking; Provide wire instructions; General banking administration.
January 25, 2019	Jonathan Krieger	0.40	Discussions with counsel re: matters related to open issues on Steeles, matters related to first mortgagee position on Birchmount, matters related to payments required on Palace Pier.
January 29, 2019	Charles Skelton	1.00	Finalize updated mortgage payout letter.
January 29, 2019	Jason Knight	0.90	Correspondence with appraiser re: Mansteel and Timmins properties; Review payout statement re: Dovercourt property and discuss same internally.
January 29, 2019	Jonathan Krieger	0.50	Correspondence re: matters related to Dovercourt; Review of correspondence re: matters related to outstanding matters and response from other stakeholders.
January 29, 2019	Rosa Wilford	0.50	Review internal instructions re Banking; Correspondences with Bank; Review print screens for expecting wire: Prepare receipt and disbursement requisition forms; Post entries; Email team notification of wire. General banking administration.
January 31, 2019	Jason Knight	0.60	Phone call with appraiser re: Timmins and Mansteel properties.
February 5, 2019	Charles Skelton	1.00	Finalize Notice to investors
February 5, 2019	Jason Knight	0.30	Internal discussions re: outstanding items; Correspondence with Uniboard counsel re: Mansteel property; Correspondence with RBC re: requested information.
February 6, 2019	Jonathan Krieger	0.50	Correspondence with team re: matters related to Dovercourt, position of co-owner;
February 6, 2019	Rosa Wilford	0.25	Prepare receipt requisition form; Post entries; General banking administration.
February 6, 2019	Valerie Naccarato	0.10	General banking administration.
February 7, 2019	Charles Skelton	0.60	Call with counsel re meeting, properties.
February 7, 2019	Jason Knight	0.50	Internal discussions re: Birchmount and Dovercourt matters; Review correspondence to P. Katebian re: Euclid property, among others; Review correspondence received from P. Katebian re: various requests.

Date	Full Name	Hours	Detail
February 7, 2019	Rosa Wilford	0.25	Review internal email instructions from team re Banking; Correspondences with Bank to provide various bank draft transactions/records.
February 7, 2019	Valerie Naccarato	0.10	General banking administration.
February 8, 2019	Charles Skelton	0.40	Call with counsel.
February 8, 2019	Jonathan Krieger	1.40	Call with Chaitons re: matters related to review of position of mortgagees on properties, materials filed by Cassels; Correspondence with team re: access to additional information and requirement for meeting with Katebians.
February 9, 2019	Rosa Wilford	0.10	Review estate bank account and reconcile January statement.
February 10, 2019	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
February 11, 2019	Charles Skelton	0.40	Correspondence to counsel, correspondence to principals' counsel.
February 11, 2019	Jonathan Krieger	1.20	Review of materials re: Court action; Correspondence with counsel thereto; Discussion with team re: matters related to meeting re: information from principals; Correspondence with principals re: meeting.
February 12, 2019	Jonathan Krieger	1.10	Correspondence and discussions with team re: matters related to action on Dovercourt; Review of materials; Correspondence with counsel thereto.
February 13, 2019	Charles Skelton	3.00	On-site meeting with company principals, counsel.
February 13, 2019	Jason Knight	3.80	Prepare for meeting with MGMIC management; Attend meeting with MGMIC management and counsel to same to discuss properties, among other items; Debrief meeting with counsel and team.
February 13, 2019	Jonathan Krieger	2.80	Meeting with Company and counsel; Correspondence and discussions with team re: matters related to documentation; Correspondence with counsel re: matters related to Boake; Correspondence re: matters related to Dovercourt proceeds.
February 14, 2019	Charles Skelton	0.20	Correspondence with counsel.
February 14, 2019	Valerie Naccarato	0.10	General banking administration.

Date	Full Name	Hours	Detail
February 15, 2019	Jonathan Krieger	0.90	Correspondence re: matters related to security, considerations re: position of other mortgagees; Correspondence with team thereto; Correspondence from counsel re: matters related to Birchmount.
February 19, 2019	Charles Skelton	0.40	Correspondence with principals re previous mortgage issue.
February 20, 2019	Charles Skelton	0.30	Correspondence with principals' counsel.
February 21, 2019	Jonathan Krieger	0.80	Correspondence re: matters related to valuations on properties, considerations re: go forward plan; Correspondence with team re: net realizations for estate.
February 25, 2019	Charles Skelton	0.50	Draft correspondence to counsel, review outstanding items, prepare statement of amounts outstanding for Euclid.
February 26, 2019	Charles Skelton	0.20	Draft correspondence to Receiver re final distribution.
February 28, 2019	Jonathan Krieger	0.40	Discussions with counsel re: matters related to properties; Follow up on appraisal reports; Correspondence with team thereto.
March 1, 2019	Charles Skelton	1.00	Call with investor, review correspondence from principals.
March 4, 2019	Jason Knight	0.10	Attend conference call with counsel re: OSC matters;
March 5, 2019	Charles Skelton	0.40	Correspondence with counsel; internal discussion re litigation.
March 5, 2019	Jason Knight	0.40	Draft correspondence to creditor re: proceedings and claim against estate; Internal discussion re: correspondence with counsel.
March 6, 2019	Charles Skelton	1.00	Draft memorandum re realization.
March 6, 2019	Jonathan Krieger	1.80	Review of documents and discussions re: matters related to property status; Review of memo re: update on properties; Correspondence re: requests from company counsel re: access to information; Discussions with team thereto.
March 7, 2019	Jason Knight	0.10	Review correspondence from OSC.
March 8, 2019	Charles Skelton	0.40	Correspondence to principals' counsel re samples of documents.

Date	Full Name	Hours	Detail
March 8, 2019	Jonathan Krieger	0.70	Correspondence re: request from company, access to information.
March 8, 2019	Rosa Wilford	0.80	Review internal instructions re Banking; Correspondences with Bank; Review print screens for expecting wire; Prepare receipt and disbursement requisition forms; Post entries; Email team notification of wire. General banking administration; Review estate bank account and reconcile February statement.
March 12, 2019	Charles Skelton	0.20	Correspondence to counsel.
March 13, 2019	Rosa Wilford	0.10	Review banking reports and approve monthly estate balances.
March 14, 2019	Charles Skelton	0.30	Review correspondence from principals
March 15, 2019	Jason Knight	1.10	Review correspondence from P. Katebian and correspondence with team re: same; Review Compendium filed by Cassels with the OSC and make notes on contents of same.
March 18, 2019	Charles Skelton	0.20	Correspondence to counsel.
March 20, 2019	Charles Skelton	0.40	Call with counsel re settlement; correspondence to counsel re Court materials.
March 20, 2019	Jonathan Krieger	1.70	Call with counsel re: review of outstanding matters; Correspondence with team and review of documentation thereto; Review of property summaries and discussions thereto; Further call with counsel re: review of letter to opposing counsel, comments thereto.
March 21, 2019	Charles Skelton	0.80	Call with principal re properties; Compile amount owing; Correspondence to counsel re escrow funds inquiry.
March 21, 2019	Jonathan Krieger	1.30	Call with counsel re: position on properties; Comments on draft correspondence.
March 25, 2019	Charles Skelton	0.60	Conference call with counsel re settlement.
March 25, 2019	Jonathan Krieger	1.50	Review of documentation re: settlement proposal; Correspondence from other creditor counsel; Conference call with counsel, other party re: settlement discussions; Subsequent correspondence and call with counsel thereto;
March 26, 2019	Charles Skelton	0.70	Correspondence to appraiser re: appraisal quote; Correspondence to counsel re: mortgage arrears calculation.

Date	Full Name	Hours	Detail
March 26, 2019	Jason Knight	4.50	Internal discussions re: settlement discussions and other matters; Revise draft notice to investors and discuss same with team; Review of calculation of outstanding interest re: first mortgage on Palace Pier Property and discuss same internally; Discuss negotiations with Missaghi and other matters.
March 27, 2019	Charles Skelton	1.40	Correspondence to counsel; Conference call re settlement; Correspondence with Receiver re final distribution.
March 27, 2019	Jason Knight	0.90	Prepare for and attend conference call with counsel, T. Wilson, and counsel re: initial settlement discussions.
March 27, 2019	Jonathan Krieger	0.40	Correspondence with team re: debrief of call.
March 28, 2019	Charles Skelton	0.30	Correspondence to appraiser re: Appraisal quote.
March 28, 2019	Jason Knight	0.60	Internal discussions re: appraisals and books and records on MGMIC; Review correspondence from Cassels re: T. Wilson and discuss same with counsel;
March 29, 2019	Jonathan Krieger	0.60	Review of correspondence from Cassels re: matters related to settlement; Conference call with Cassels, Chaitons re: view going forward.

Time Summary

J. Krieger, Sr. Vice President	33.30	hours @	$595.00	per hour	$ 19,813.50
J. Knight, Manager	19.70	hours @	$375.00	per hour	$ 7,387.50
	19.20	hours @	$295.00	per hour	$ 5,664.00
R. Wilford, Manager	3.05	hours @	$275.00	per hour	$ 838.75
	1.85	hours @	$260.00	per hour	$ 481.00
C. Skelton, Senior Associate	26.30	hours @	$235.00	per hour	$ 6,180.50
	16.20	hours @	$195.00	per hour	$ 3,159.00
M. Quirk, Sr. Associate	0.20	hours @	$190.00	per hour	$ 38.00
V. Naccarato, Analyst	0.30	hours @	$135.00	per hour	$ 40.50
	120.10				$ 43,602.75
5% Administration and Technology fees					$ 2,180.14
					$ 45,782.89
HST @13%					$ 5,951.78
Total Due					**$ 51,734.66**

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 UNDER SECTION 126 and 129 OF THE SECURITIES ACT R.S.O. 1990, c. S.5, AS AMENDED

BILL OF COSTS

BN 12738 4717 RT0001
Client #254817
Invoice#LSON-4882

To professional services rendered as Receiver for the period ending November 30, 2018.

Date	Full Name	Hours	Detail
November 5, 2018	Jonathan Krieger	0.50	Correspondence with counsel re: draft documents; Correspondence re: matters related to planning for engagement.
November 6, 2018	Jason Knight	2.10	Internal initial meeting to discuss file; Prepare for and attend conference call with the OSC; Administer case website and items to be included on same; Review application materials and draft summary on same; Internal correspondence re: file.
November 6, 2018	Charles Skelton	0.50	Review new file documents.

Date	Full Name	Hours	Detail
November 6, 2018	Jonathan Krieger	1.80	Calls with counsel re: form of order; Correspondence re: matters related to issues raised in Court; Further call and correspondence with counsel re: matters related to Order; with team re: case website; Review of materials; Team meeting re: engagement planning; Call with OSC re: scope of mandate, next steps; Correspondence to principals of Company.
November 7, 2018	Charles Skelton	0.70	Map properties, create central database, internal meeting to discuss strategy.
November 7, 2018	Jason Knight	0.40	Correspondence with Principals re: books and records and meeting; Internal correspondence and directions re: bank account freeze and direction; Continue review of OSC application materials and summarization of same.
November 7, 2018	Rosa Wilford	2.00	Review internal email instructions from team re Banking; Review Court Order; Emails to banking institutions; respond to emails/team. Draft letter and prepare Bank form for new account. Fax; Setup account estate. Provide wire instructions to team; General banking administration. General banking administration.
November 7, 2018	Jonathan Krieger	1.00	Correspondence with company principals; Correspondence with team re: banking considerations, upcoming meeting; Review of materials.
November 8, 2018	Jason Knight	4.10	Prepare for and attend initial meeting with Principals and counsel for same; Internal debrief re: meeting; Catalogue materials provided by MGMIC to the office and review contents of same.
November 8, 2018	Charles Skelton	1.10	Respond to telephone calls from counsel, draft correspondence to secured lenders.
November 8, 2018	Jonathan Krieger	3.20	Review of legal documents; Correspondence with OSC; Attendance at MoneyGate premises and meeting with principals and their counsel; Correspondence and discussions with team re: development of action items, immediate issues to address; Correspondence and discussions with investors.

Date	Full Name	Hours	Detail
November 8, 2018	Rosa Wilford	0.50	Follow-up phone call and emails with Bank re transferring of funds; Review email from Bank; Notify team. General banking administration.
November 9, 2018	Jason Knight	3.60	Correspondence re: setup of Ascend file; Correspondence with Principals re: insurance, telephone number, and website; Internal discussions re: hard copy records received and organization of same; Meeting with counsel to interested parties in the proceedings; Review materials re: Birchmount and other properties to which Missaghi and others are involved in; Prepare for and attend conference call with the OSC; Request new email and toll-free number for investors.
November 9, 2018	Charles Skelton	2.00	Meeting with counsel; correspondence re: motion hearing for Nov 14, review of documents received from principals of company, correspondence re parcel register searches.
November 9, 2018	Jonathan Krieger	2.00	Meeting with investor representative; Review of correspondence from counsel to investors; Calls with Chaitons re: considerations re: mandate, Receiver's intentions; Correspondence from investors; Correspondence re: matters related to registrations on properties; Correspondence and call with OSC.
November 9, 2018	Rosa Wilford	0.50	Correspondences with Bank; Prepare receipt requisition form; Post deposit entries; General banking administration.
November 11, 2018	Jonathan Krieger	1.00	Review of correspondence from counsel re: matters related to funds on hand, transfers; Correspondence with team re: matters related to source and use of funds.
November 12, 2018	Jason Knight	2.20	Review of appendices included in the OSC application including various affidavits from investors and stakeholders; Internal meeting to discuss items to complete; Review correspondence re: Birchmount hearing; Administer case website, email address, and toll-free number for investors.
November 12, 2018	Charles Skelton	1.50	Draft correspondence, request parcel register searches,

Date	Full Name	Hours	Detail
November 12, 2018	Rosa Wilford	0.25	Review internal email instructions from team re Banking: Provide letters; General banking administration.
November 12, 2018	Jonathan Krieger	2.20	Correspondence with creditors; Correspondence with counsel re: matters related to mortgages, receivers position; Correspondence with team re: information on source and use of funds; Correspondence re: matters related to Court proceedings; Correspondence with counsel for mortgagee on certain properties.
November 12, 2018	Valerie Naccarato	0.10	General banking administration.
November 13, 2018	Jason Knight	2.80	Email correspondence with P. Katebian; Review and format investor listing; Draft notice to investors re: Receiver's Appointment; Internal discussion re: letters to bank and other mortgagors; Revise notice to investors and discuss release of same via email to investors in MGMIC; Prepare for and attend conference call with counsel and BTZ re: Birchmount proceedings; Review OSC materials and appendices to same re: Birchmount advances and perform analysis on same.
November 13, 2018	Charles Skelton	1.00	Conference call with counsel; Review of materials.
November 13, 2018	Jonathan Krieger	2.30	Correspondence with team re: Notice to Investors; Review thereto; Correspondence with team re: asset tracing; Correspondence with counsel re: matters related to property registrations; Correspondence with OSC; Review of correspondence re: matters related to independent counsel; Correspondence to BTZ re: clarification of considerations; Conference call with Chaitons and BTZ re: matters related to administration;
November 14, 2018	Leianne Forde	2.00	Conduct searches re: parties, properties.
November 14, 2018	Jason Knight	1.10	Draft memo regarding summary of Birchmount, including status of litigation and compile materials related to same; Internal correspondence re: analysis on Birchmount.
November 14, 2018	Charles Skelton	0.60	Respond to investor inquiries

Date	Full Name	Hours	Detail
November 14, 2018	Jonathan Krieger	3.10	Attendance in Court re: matters related to Birchmount property; Correspondence with team re: matters related to Investor Notice; Correspondence from investors and discussions thereto; Correspondence re: access to banking and flow of funds; Call with OSC re: clarifications of points in Application materials; Correspondence with counsel re: registrations on properties; Correspondence with counsel re: source and use of funds; Discussion with team re: analysis required; Correspondence from Company re: banking, mortgage assumptions; Review of correspondence from Company counsel.
November 14, 2018	Rosa Wilford	1.25	Review internal email instructions from team re Banking; Review Court Order: Contact various banking institutions re freeze of accounts. Emails; Letters; General Banking administration.
November 15, 2018	Charles Skelton	1.50	Review insurance policy for D&O coverage, internal meeting to discuss strategy.
November 15, 2018	Jason Knight	2.80	Prepare for and attend internal meeting re: next steps in file administration; Call with Chaitons re: Birchmount and Palace Pier properties; Review and summarize various materials received from the Company and those through the proceedings related to Mansteel property.
November 15, 2018	Jonathan Krieger	1.10	Correspondence with team re: matters related flow of funds; Meeting with team re: action items; Correspondence with investors; Correspondence from Company counsel; Correspondence from Chaitons; Correspondence re: matters related to property registrations.
November 16, 2018	Charles Skelton	2.00	Prepare tracking sheet for activities, review bank statements.
November 16, 2018	Jonathan Krieger	1.20	Discussions with team re: access to documentation, analysis of proceeds; Correspondence with counsel re: matters related to report, actions with respect to mortgages; Correspondence with Chaitons re: registrations.

Date	Full Name	Hours	Detail
November 18, 2018	Jonathan Krieger	1.50	Correspondence with counsel; Review of draft report; Correspondence with team; Finalize report.
November 19, 2018	Jason Knight	5.30	Review correspondence from the OSC re: Certificates of Directions; Review Receiver's First Report and correspondence from counsel re: same; Review various materials with respect to Mansteel Property and prepare memo to team re: summarization of same; Internal discussions re: information provided by the OSC.
November 19, 2018	Charles Skelton	2.40	Summaries of subject properties, return correspondence to investor.
November 19, 2018	Jonathan Krieger	0.80	Correspondence with counsel re: Court relief, Order received; Correspondence from bank re: matters related to access to details; Correspondence with team thereto.
November 19, 2018	Rosa Wilford	0.30	Review voicemail from Bank; Respond to call; Notify team; Emails.
November 20, 2018	Jason Knight	3.10	Continue review of various legal documents provided by MGMIC and those obtained on the internet re: the Mansteel Property; Continue preparation of memorandum re: Mansteel Property and draft internal correspondence re: same.
November 20, 2018	Charles Skelton	1.00	Review of insurance coverage; Correspondence with team thereto.
November 20, 2018	Jonathan Krieger	1.20	Correspondence with team re: review of Temmiskamig transaction; Call with OSC re: access to information; Review of team's analysis thereto; Correspondence to counsel.
November 22, 2018	Charles Skelton	3.10	Source and use of funds analysis; Review company accounts.
November 22, 2018	Jonathan Krieger	1.30	Review of correspondence from Commission; Correspondence with team re: Source and use, comments on banking activity; Correspondence from counsel; Correspondence with Receiver of Dovercourt property and other secured creditor comments; Correspondence re: request for information on Dovercourt.

Date	Full Name	Hours	Detail
November 23, 2018	Jason Knight	1.40	Review correspondence from receiver re: Dovercourt; Review documents provided by MGMIC re: Dovercourt and summarize same; Correspondence with counsel re: various items; Internal discussions re: source and use of funds analysis and prepare template to begin preparation of same.
November 23, 2018	Charles Skelton	4.50	Source and Use analysis for personal accounts; compile list of material transactions; prepare memo re: property summary.
November 23, 2018	Jonathan Krieger	1.20	Call with counsel re: discussion of flow of funds, position to take re: Birchmount property; Correspondence from OSC re: matters related to regulatory proceeding; Correspondence with team re: matters related to review of transactions.
November 26, 2018	Jason Knight	1.20	Correspondence with counsel re: various matters; Organize and upload documents to shared OneDrive; Draft correspondence to MGMIC re: Mansteel; Draft correspondence to Ministry of Environment re: Mansteel Property.
November 26, 2018	Charles Skelton	2.50	Correspondence to investors, principals.
November 27, 2018	Charles Skelton	3.00	Prepare property summaries, correspondence to receiver, correspondence to principals on Dovercourt; Internal meeting.
November 27, 2018	Jason Knight	4.60	Prepare for and attend internal meeting re: file update; Phone call with counsel re: Dovercourt and Birchmount properties; Review and revise source and use of funds analysis and discuss same internally.
November 27, 2018	Rosa Wilford	0.25	Review internal email instructions from team re Banking; Contact banking institution; Request supporting documentation; Email team. General Banking and filing administration.

Date	Full Name	Hours	Detail
November 27, 2018	Jonathan Krieger	1.60	Correspondence with counsel re: position on Birchmount, Review of endorsement; Correspondence with team re: information to Receiver's counsel re: security on Dovercourt; Correspondence re: Birchmount payments; Correspondence re: matters related to investor communication; Team meeting re: project analysis.
November 28, 2018	Jason Knight	5.10	Prepare flow of funds analysis for Birchmount Property and assemble and review supporting documents re: payments; Draft internal summary of flow of funds analysis to team for discussion; Revise memorandum on Mansteel for flow of funds adjustment; Internal discussions re: Dovercourt and payment of first mortgage; Begin review of information provided by MGMIC re: Timmins Property.
November 28, 2018	Charles Skelton	3.50	Continue preparing property summary.
November 28, 2018	Jonathan Krieger	1.00	Correspondence with OSC re: matters related to enforcement actions; Correspondence with counsel; Call with team and meeting to review source and use, considerations re: payments.
November 28, 2018	Rosa Wilford	0.50	Review internal email instructions from team re Banking; Review account details; Correspondences with Bank; Respond to phone call; Provide team detailed transactions; General banking administration.
November 29, 2018	Jason Knight	6.80	Internal discussion re: updates on various MGMIC properties; Review correspondence from OSC; Correspondence with Uniboard re: Mansteel Property; Internal conference call re: file update; Compile documents re: Dovercourt Property and send same to receiver's counsel; Review various documents (appraisals, statement of claims, parcel registers, etc.) regarding the Timmins Property and draft summary memorandum re: same; Draft correspondence to MGMIC re: receivership appointment.

Date	Full Name	Hours	Detail
November 29, 2018	Jonathan Krieger	1.50	Review of matters related to registrations; Correspondence with team re: Source and Use Analysis; Correspondence with counsel thereto; Correspondence re: matters related to information on Birchmount; Correspondence re: considerations with Atlas property.
November 30, 2018	Charles Skelton	2.10	Preparation of property summary, internal discussion re flow of funds, correspondence to principals.
November 30, 2018	Jason Knight	3.10	Prepare for and attend internal meeting to prepare listing of action items required to be performed on each of the MGMIC properties; Internal meeting to discuss update on properties and next steps; Discussions re: FSCO; Review Order obtained by OSC re: Euclid property; Perform source and use of funds analysis for RBC bank statements (i.e. 2014 and 2015); Correspondence with MGMIC re: Euclid property mortgage documents.
November 30, 2018	Rosa Wilford	0.25	General banking administration.
November 30, 2018	Jonathan Krieger	1.20	Correspondence with team re: source and use analysis; Correspondence and discussion with counsel re: considerations for properties, relief required, discussion matters related to Birchmount; Correspondence with team re: follow up required on banking information.

Total Time Summary

J. Krieger, Sr. Vice President	30.70	hours @	$595.00 per hour	$	18,266.50
J. Knight, Manager	49.70	hours @	$295.00 per hour	$	14,661.50
R. Wilford, Manager	5.80	hours @	$260.00 per hour	$	1,508.00
C. Skelton, Senior Associate	33.00	hours @	$195.00 per hour	$	6,435.00
L. Forde, Senior Associate	2.00	hours @	$180.00 per hour	$	360.00
V. Naccarato, Analyst	0.10	hours @	$130.00 per hour	$	13.00
	121.30			$	41,244.00
5% Administration and Technology fees				$	2,062.20
				$	43,306.20
Disbursements					
ESC Corporate Services				$	73.51
Travel				$	101.78
				$	175.29
Subtotal time and disbursements				$	43,481.49
HST @13%				$	5,652.60
Total Due				**$**	**49,134.09**

Exhibit "**B**" to the Affidavit of Jonathan Krieger,
sworn before me this 9th day of May, 2019.

Faddie-Ann Lakeram,
a Commissioner, etc., Province of Ontario,
For Grant Thornton Limited.
Expires March 30, 2020.

F. Lakeram

Exhibit "B"

Money Gate Mortgage Investment Corporation
Summary of Billings
November 5, 2018 to March 31, 2019

Date	Hours		Fees		Disbursements		Subtotal		HST		Total
November 5, 2018 to November 30, 2018	121.30	$	43,306.20	$	175.29	$	43,481.49	$	5,652.60	$	49,134.09
December 1, 2018 to March 31, 2019	120.10	$	45,782.89	$	-	$	45,782.89	$	5,951.78	$	51,734.66
	241.40	**$**	**89,089.09**	**$**	**175.29**	**$**	**89,264.38**	**$**	**11,604.38**	**$**	**100,868.75**

Average Hourly Rate: 369.05

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

ONTARIO SECURITIES COMMISSION - and - **MONEY GATE MORTGAGE INVESTMENT CORPORATION**

Applicant

Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

AFFIDAVIT OF JONATHAN KRIEGER

CHAITONS LLP
5000 Yonge Street
10th Floor
Toronto, ON M2N 7E9

Sam Rappos (LSO#51399S)
Tel: 416-218-1137
Fax: 416-218-1837
samr@chaitons.com

Lawyers for the Court-appointed Receiver, Grant Thornton Limited

Appendix “R”

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 129 OF THE SECURITIES ACT R.S.O. 1990, c. S.5, AS AMENDED

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

and

MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

AFFIDAVIT OF SAM RAPPOS
(sworn May 8, 2019)

I, SAM RAPPOS, of the City of Markham, in the Regional Municipality of York, in the Province of Ontario **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a partner with the law firm of Chaitons LLP ("**Chaitons**"), lawyers for Grant Thornton Limited ("**GTL**") as receiver (the "**Receiver**") without security, of all the assets, undertakings and properties of Money Gate Mortgage Investment Corporation., and as such have knowledge of the matters to which I hereinafter depose.

2. Attached hereto as the following exhibits are copies of the accounts issued by Chaitons LLP to the Receiver for the time period commencing on November 7, 2018 and ending on March

31, 2019 totalling $89,256.88 (comprised of fees of $77,900.50, disbursements of $1,125.17 and HST of $10,231.21) with respect to this proceeding:

(a) **Exhibit "A"** – account dated November 30, 2018, for the period from November 7, 2018 up to and including November 30, 2018;

(b) **Exhibit "B"** – account dated February 20, 2019, for the period from December 1, 2018 up to and including December 31, 2018; and

(c) **Exhibit "C"** – account dated May 8, 2019, for the period from January 1, 2018 up to and including March 31, 2019.

3. Attached hereto as **Exhibit "D"** is a summary of additional information with respect to the accounts referred to in paragraph 2 above, indicating all members of Chaitons LLP who have worked on this matter, their year of call to the bar, total time charged and hourly rates, and I hereby confirm that this list represents an accurate account of such information.

4. I confirm that the accounts described in paragraph 2 above accurately reflect the services provided by Chaitons LLP in this matter and the fees and disbursements claimed by it from November 7, 2018 to March 31, 2018.

SWORN before me at the City of Toronto, in the Province of Ontario, this 8th day of May, 2019)	**SAM RAPPOS**
Maya Poliak A Commissioner For Taking Affidavits, etc.	

THIS IS EXHIBIT "A" TO

THE AFFIDAVIT OF SAM RAPPOS

SWORN BEFORE ME THIS 8TH

DAY OF MAY, 2019

A Commissioner Etc.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

Chaitons LLP

INVOICE NUMBER: 269208 **November 30, 2018**

GRANT THORNTON LIMITED
200 KING STREET WEST
11TH FLOOR
TORONTO, ON M5H 3T4

Re: **MONEY GATE MORTGAGE INVESTMENT CORPORATION ET AL.**
Our file: 007340-31761

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including November 30, 2018:

PROFESSIONAL FEES		
SUBJECT TO HST	$30,735.50	
SUB-TOTAL		$30,735.50
DISBURSEMENTS		
NON TAXABLE	$243.15	
SUBJECT TO HST	$438.21	
SUB-TOTAL		$681.36
HST at 13.00%		$4,052.58
GRAND TOTAL		**$35,469.44**

Amount payable on the current invoice	$35,469.44
Plus outstanding invoices on this matter	$0.00
Amount Due	**$35,469.44**
Trust Balance	

GST No R124110933 INVOICE NUMBER: 269208

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Doc#4355513v1

Chaitons LLP

PROFESSIONAL FEES:

Nov 1, 18	Review affidavit materials and discussions with M. Poliak re: revisions to materials and underlying litigation issues;
Nov 5, 18	Email correspondence with J. Krieger regarding draft receivership order and consent; email correspondence with J. Gibson and G. Benchetrit regarding the upcoming application;
Nov 6, 18	Discussions with M. Poliak re: issues on motion and status of efforts; Telephone call with J. Gibson re: motion issues and concerns raised by K. Richard and R. Das; Telephone call with G. Benchetrit re: description of motion issues;
Nov 7, 18	Conference call with R. Das regarding the receiver's appointment and counsel for the Receiver;
Nov 9, 18	Telephone call with M. Poliak;
Nov 9, 18	Meetings and discussions with M. Poliak re: claims of respondents in various litigation and representation issues; Telephone discussions with A. Wygodny re: issues for receivership; Conference call with J. Krieger re: status and next steps;
Nov 9, 18	Conference call with J. Krieger regarding meeting with P. Katebean; conference call with D. Augruso regarding the Birchmount property; review Rosen Goldberg's website with respect to the Birchmount property;
Nov 9, 18	Preparation of draft Applications to Register a Court order over three Toronto properties; meeting with M. Poliak in connection therewith; e-mail to J. Krieger enclosing draft registrations for review and approval;
Nov 10, 18	Conference call and email correspondence with M. Poliak regarding the Birchmount property and freeze and Norwich orders;
Nov 10, 18	Conference call and email correspondence with H. Chaiton regarding the Birchmount property and freeze and Norwich orders; email correspondence with J. Krieger regarding same; review evidence of diverted funds;
Nov 11, 18	Preparation of additional applications to register court orders over the Temiskaming and Timmins properties; e-mail to M. Poliak in respect of the Birchmount Road, Toronto and the Vaughan properties;

Chaitons LLP

Nov 12, 18	Email correspondence and conference calls with various parties in connection with the Birchmount property;
Nov 13, 18	Review emails, telephone call with M. Poliak and J. Krieger, telephone conference call with C. Fell, L. Dizgun, Grant Thornton and M. Poliak re alleged potential conflict; review draft letter to Hainey J and telephone call with M. Poliak providing my comments;
Nov 13, 18	Meeting with M. Poliak re: issues with retainer and various positions taken by interested parties;
Nov 13, 18	Email correspondence and conference calls with H. Chaiton, J. Krieger, C. Fell, L. Dizgun and D. Preger regarding the Birchmount property; conference call with J. Krieger and H. Chaiton regarding a motion for a freeze order; email to S. Rappos regarding same; draft letter to Hainey J. regarding counsel for the Receiver;
Nov 14, 18	Attend at a chambers appointment regarding the Birchmount Property; conference call with J. Krieger regarding Freeze Order; office conference with S. Rappos regarding same; conference calls and email correspondence with M. Wine and E. Karp regarding various proceedings;
Nov 14, 18	Reviewed file documents; discussed matters with M. Poliak; drafted materials for ex parte freezing order; reviewed and drafted correspondence;
Nov 14, 18	Telephone discussion with M. Poliak in respect of the transfer of a charge secured over the Birchmount Road property;
Nov 15, 18	Conference with M. Poliak re letter from E. Karp demanding the assignment of the mortgage on Palace Pier;
Nov 15, 18	Email correspondence with counsel regarding receiver's counsel; conference call with J. Krieger regarding Palace Pier; office conference with H. Chaiton regarding same;
Nov 15, 18	Continued to review file materials and draft freeze order motion materials; reviewed and drafted correspondence;
Nov 15, 18	Register the application to register a court order over the Timmins and Temiskaming properties;
Nov 16, 18	Conference with M. Poliak and S. Rappos re freeze order;
Nov 16, 18	Continued to review files and prepare motion materials; reviewed and drafted correspondence;

Chaitons LLP

Nov 18, 18	Review draft report of receiver; telephone call and emails with S. Rappos to provide my comments;
Nov 18, 18	Continued to draft materials for freeze order motion; discussed draft materials with H. Chaiton; finalized materials and sent them to Justice Hainey; reviewed and drafted correspondence;
Nov 19, 18	Prepared for and attended at Commercial List Court for freeze order motion; attended to having order issued and entered; reviewed and drafted correspondence regarding same;
Nov 20, 18	Reviewed and drafted correspondence regarding bank accounts;
Nov 21, 18	Reviewed bank accounts and drafted correspondence regarding same; reviewed and drafted correspondence regarding freeze motion;
Nov 23, 18	Conference call with E. Golden regarding the November 28 motion; review materials filed by the Receiver on same; conference call with J. Krieger regarding same;
Nov 23, 18	Reviewed and drafted correspondence;
Nov 23, 18	Review of the mortgages registered on title to the Steeles Property;
Nov 26, 18	Conference with E. Golden at Court regarding motion returnable November 26, 2018; email correspondence and conference calls with E. Golden regarding same;
Nov 26, 18	Reviewed and drafted correspondence;
Nov 26, 18	To continue preparation of summary chart;
Nov 27, 18	Telephone discussions with H. Margel re: P. Katebian ongoing mortgage activities; E-mail from H. Margel re: P. Katebian; Meeting with M. Poliak re: P. Katebian carrying on business as Money Gate Corp.
Nov 27, 18	Conference calls with E. Golden and J. Zibarras regarding motion returnable November 28, 2018; review motion materials filed by all parties and the Receiver's website for orders; prepare for the motion returnable November 28, 2018; conference call with J. Krieger regarding same; email correspondence with P. Smiley regarding all money gate proceedings;
Nov 27, 18	To continue to summarize the mortgages registered on title to the Steeles property;

Chaitons LLP

Nov 28, 18	Discussions with M. Poliak re: issues with enforcement at Lakeshore property and general mortgage enforcement strategy; Telephone conference with D. Brooker and M. Poliak re: status of enforcement efforts, attornment and summary judgment; Review litigation materials on Lakeshore enforcement;
Nov 28, 18	Attend at the motion before Justice Dunphy; conference with D. Bourassa regarding same; review materials provided by B. Katebean regarding Palace Pier; conference call with counsel for Money Gate on the summary judgment motion for Palace Pier; conference call with H. Chaiton regarding same;
Nov 29, 18	Meeting with M. Poliak and H. Chaiton re: issues relating to 3rd mortgage on Birchmount; Review terms of agreement between WFC and MGMIC; Assess total funds outlaid and not returned to MGMIC on Birchmount advance; Meeting with S. Rappos re: funds flow;
Nov 29, 18	Email correspondence with J. Gibson regarding decision of J. Dunphy; conference calls with J. Zibarras regarding settlement; office conference with H. Chaiton regarding same; review materials filed in the Birchmount receivership; conference call with J. Gibson regarding attendance at the December 3 hearing at the Commission;
Nov 29, 18	Discussed flow of funds regarding Birchmount Property with D. Bourassa;
	To all matters of a general nature not more particularly referred to herein;
	TOTAL HOURS

TOTAL PROFESSIONAL FEES	**$30,735.50**
HST at 13.00%	3,995.62

DISBURSEMENTS:

Subject to HST:

Kap Litigation Services Taxable	$70.00	
General Taxable	$21.49	
Litigation Transaction Levy Taxable	$100.00	
Teraview Charges Taxable	$226.80	
Courier and Taxi Charges Taxable	$16.42	
Telecopier Charges Taxable	$3.50	
		$438.21

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Non-Taxable:

General Non-taxable	$7.20	
Issue Notice(s) of Application Non-taxable	$220.00	
Teraview Charges Non-taxable	$15.95	
		$243.15

TOTAL DISBURSEMENTS	**$681.36**
HST at 13.00%	56.97
GRAND TOTAL	**$35,469.44**

CHAITONS LLP

per:

Harvey Chaiton

Chaitons LLP

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
HARVEY G. CHAITON	$695.00	5.10	$3,544.50
DOUG BOURASSA	$495.00	11.50	$5,692.50
MAYA POLIAK	$495.00	25.30	$12,523.50
SAM RAPPOS	$495.00	15.00	$7,425.00
ALEXANDRA KRANCEVIC	$250.00	6.20	$1,550.00
Total:		63.10	$30,735.50

THIS IS EXHIBIT "B" TO

THE AFFIDAVIT OF SAM RAPPOS

SWORN BEFORE ME THIS 8TH

DAY OF MAY, 2019

M. Po

A Commissioner Etc.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

Chaitons LLP

INVOICE NUMBER: 270120

February 20, 2019

GRANT THORNTON LIMITED
200 KING STREET WEST
11TH FLOOR
TORONTO, ON M5H 3T4

Re: **MONEY GATE MORTGAGE INVESTMENT CORPORATION ET AL**
Our file: 006588-31761

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including December 31, 2018:

PROFESSIONAL FEES		
SUBJECT TO HST	$11,537.50	
SUB-TOTAL		$11,537.50
HST at 13.00%		$1,499.88
GRAND TOTAL		**$13,037.38**

Amount payable on the current invoice	$13,037.38
Plus outstanding invoices on this matter	$35,469.44
Amount Due	**$48,506.82**
Trust Balance	

GST No R124110933

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Chaitons LLP

PROFESSIONAL FEES:

Dec 3, 18	HGC	Attend at OSC hearing to advise Commissioner that receiver does not intend to defend or participate in proceedings on behalf of company;	2.03	$1,410.85
Dec 4, 18	MP	Email correspondence with D. Preger regarding appeal;	0.24	$118.80
Dec 5, 18	DB	Discussions with M. Poliak re: Lakeshore enforcement issues; Review status of enforcement and pending summary judgment issues;	0.50	$247.50
Dec 5, 18	MP	Reviewed documents provided by the Katebians;	1.19	$589.05
Dec 10, 18	MP	Email correspondence with B. Shiller regarding the summary judgment motion returnable on December 17, 2018; office conference with A. Ziaie regarding attendance at a scheduling conference;	0.24	$118.80
Dec 10, 18	ST	Researching and writing a memo on the appeal provisions of Bankruptcy and Insolvency Act	4.00	$800.00
Dec 12, 18	MP	Review facta filed in support of the leave motion; document review;	1.54	$762.30
Dec 13, 18	MP	Prepared for motion for leave to appeal; email correspondence with B. Shiller regarding the summary judgment motion on Palace Pier; review court materials on Palace Pier and Steeles properties; office conference with H. Chaiton regarding outstanding proceedings; conference call with J. Knight regarding same;	4.16	$2,059.20
Dec 14, 18	DB	Discussions with M. Poliak re: outcome of Court of Appeal motion; Telephone conference with J. Zibarras re: settlement position on apportionment of mortgage proceeds;	0.50	$247.50
Dec 14, 18	MP	Attend at motion for leave with respect to the Birchmound property; document review of files provided by Money Gate; conference call BTZ regarding settlement of the priority dispute regarding the third mortgage;	5.35	$2,648.35

Chaitons LLP

Dec 27, 18	HGC	Review motion of I. Smith re Dovercourt property receivership; review caselaw re 3 months interest bonus; email to J. Krieger;	3.04	$2,111.20
Dec 28, 18	HGC	Emails with Grant Thornton re receiver's motion; obtain instructions; send email to H. Manis;	0.61	$423.95
		TOTAL HOURS	23.40	$11,537.50

TOTAL PROFESSIONAL FEES	**$11,537.50**
HST at 13.00%	1,499.88
GRAND TOTAL	**$13,037.38**

CHAITONS LLP

per: ____________________

INVOICE NUMBER: 270120

GST No R124110933

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

Chaitons LLP

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
HARVEY G. CHAITON	$695.00	5.68	$3,946.00
DOUG BOURASSA	$495.00	1.00	$495.00
MAYA POLIAK	$495.00	12.72	$6,296.50
SANEEA TANVIR	$200.00	4.00	$800.00
Total:		23.40	$11,537.50

THIS IS EXHIBIT "C" TO

THE AFFIDAVIT OF SAM RAPPOS

SWORN BEFORE ME THIS 8TH

DAY OF MAY, 2019

A Commissioner Etc.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

Chaitons LLP

INVOICE NUMBER: 271201 **April 30, 2019**

GRANT THORNTON LIMITED
200 KING STREET WEST
11TH FLOOR
TORONTO, ON M5H 3T4

Re: MONEY GATE MORTGAGE INVESTMENT CORPORATION ET AL
Our file: 006588-31761

FOR PROFESSIONAL SERVICES RENDERED on this matter up to and including March 31, 2019:

PROFESSIONAL FEES		
SUBJECT TO HST	$35,627.50	
SUB-TOTAL		$35,627.50
DISBURSEMENTS		
NON TAXABLE	$80.95	
SUBJECT TO HST	$362.86	
SUB-TOTAL		$443.81
HST at 13.00%		$4,678.75
GRAND TOTAL		**$40,750.06**

Amount payable on the current invoice	$40,750.06
Plus outstanding invoices on this matter	$48,506.82
Amount Due	**$89,256.88**
Trust Balance	

HST No R124110933

INVOICE NUMBER: 271201

E. & O.E. Payment due on receipt of the account. In Accordance with the Solicitor's Act, interest will be charged on any unpaid balance at the rate of 0.5% per annum commencing one month after delivery of this account.

PROFESSIONAL FEES:

Dec 13, 18	DB	Receipt of e-mail from P. Katebian; Discussions with M. Poliak; Telephone call with A. Wygodny re: flow of funds issues and P. Katebian inquiry;	0.50	$247.50
Dec 27, 18	SPR	Reviewed motion record and drafted correspondence to client;	0.40	$198.00
Jan 7, 19	HGC	Telephone call and email to D. Preger re 3 months interest penalty;	0.34	$246.50
Jan 8, 19	HGC	Emails with D. Preger, including review of OCA decision in Cardill case with respect to 3 month interest penalty;	0.51	$369.75
Jan 8, 19	MP	Email correspondence with H. Chaiton, H. Manis and B. Shiller regarding the Dovercourt property; review Money Gate's documents pertaining to the Dovercourt property; review correspondecne from B. Shiller regarding same;	1.62	$850.50
Jan 8, 19	MP	Conference call with J. Krieger regarding Timmins and Birchmount;	0.43	$225.75
Jan 9, 19	DB	Meeting with M. Poliak re: D. Brooker fee claim on Dovercourt property; Review documents;	0.50	$262.50
Jan 9, 19	MP	Email correspondence with H. Manis, J. Krieger, D. Brooker and B. Shiller regarding Dovercourt; conference call with L. Ellis, J. Krieger and C. Skelton regarding Birchmount and other Missaghi properties; review documents filed by Money Gate in connection with the Birchmount Property;	2.49	$1,307.25
Jan 9, 19	AMK	Meeting with S. Tanvir in respect of the preparation of the remaining properties for purposes of the summary;	0.30	$88.50

Jan 11, 19	MP	Conference call with J. Gibson regarding the new OSC proceeding against the Katebeans; review Money Gate's various court materials; conference call with E. Karp regarding various outstanding items; email correspondence with B. Shiller regarding scheduling a summary judgment motion with respect to the Palace Piers property;	2.27	$1,191.75
Jan 11, 19	ST	Preparing a Summary of PINS for the properties involved in the litigation	2.60	$520.00
Jan 14, 19	MP	Email correspondence with M. Wine, E. Karp and the Civil Court regarding scheduling a motion with respect to Steeles property; review materials filed in connection with that property both in Money Gate's receivership and in E. Karp's proceeding; office conference with H. Chaiton regarding scheduling a judicial conference;	2.38	$1,249.50
Jan 16, 19	HGC	Telephone call with D. Preger re 3 months interest penalty; email to J. Krieger;	0.34	$246.50
Jan 16, 19	HGC	Review Cardill case; email to D. Preger;	0.51	$369.75
Jan 16, 19	MP	Email correspondence with M. Wine and E. Karp regarding the Steeles property proceedings; review court filed documents;	1.08	$567.00
Jan 17, 19	HGC	Conference with M. Poliak re Dovercourt and Steeles Avenue properties;	1.68	$1,217.50
Jan 17, 19	DB	Meeting with H. Chaiton and M. Poliak re: allegations relating to Dovercourt property; Review of instruments and parties involved; Review of litigation documents re: Steeles avenue funds;	1.00	$525.00
Jan 17, 19	MP	Finish review of all materials filed in connection with the Steeles and Dovercourt properties; conference with H. Chaiton re Dovercourt and Steeles Avenue properties;	2.70	$1,417.50
Jan 17, 19	AMK	Revisions to summary of parcel registers chart;	0.60	$177.00
Jan 19, 19	AMK	Further review of summary of parcel register;	0.70	$206.50

Jan 22, 19	MP	Review motion materials filed by H. Manis in support of the Dovercourt sale and the correspondence from D. Preger; review court materials filed in the Steeles proceeding and compare against information provided by L. Ellis;	1.73	$908.25
Jan 23, 19	MP	Attended at the motion to approve the sale of the Dovercourt property and the distribution to the Receiver;	2.16	$1,134.00
Jan 28, 19	MP	Email correspondence with B. Shiller regarding rescheduling of the summary judgment scheduling motion; office conference with A. Ziaie regarding same;	0.76	$399.00
Jan 28, 19	AZ	Preparation for Civil Court Practice appearance to adjourn scheduling of summary judgment motion to a later date;	0.50	$162.50
Jan 29, 19	AZ	Attendance at Civil Practice Court to adjourn scheduling appearance to February 12;	1.50	$487.50
Jan 31, 19	MP	Review documents provided by L. Ellis in connection with the Birchmount and other properties;	1.62	$850.50
Feb 5, 19	MP	Review motion materials to remove D. Booker as solicitor in the proceeding involving B. Ghaffari; email correspondence and conference calls with D. Booker and E. Karp re: the Ghaffari proceeding; review pleadings in this proceeding; review materials provided by L. Ellis; email correspondence with L. Ellis regarding the Steeles property;	2.60	$1,365.00
Feb 7, 19	DB	Meeting with M. Poliak re: issues with Boake trail property; Telephone conference with M. Poliak and J. Gibson; Review affidavit of L. Alizadeh re: Boake trail allegations;	1.50	$787.50

Feb 7, 19	MP	Conference calls with L. Ellis, J. Gibson, J. Krieger and C. Skelton regarding Birchmont, King and Boake properties; review materials filed by the OSC and responding materials of L. Ellis with respect to the King and Boake properties; office conference with D. Bourassa regarding same;	5.19	$2,724.50
Feb 8, 19	MP	Conference call with L. Ellis regarding Birchmount, King and Boake; review materials related to Birchmount; conference call with J. Krieger and C. Skelton regarding Birchmount, King and Boake;	2.38	$1,249.50
Feb 11, 19	DB	Discussions with M. Poliak re: recent decision on Boake Trail property;	0.30	$157.50
Feb 11, 19	MP	Email to B. Shiller regarding Dovercourt property; review case decision regarding the Boake property; email correspondence with A. Wygodny regarding same; email correspondence and conference call with A. Wygodny regarding claim of B. Ghaffari; draft letter to counsel for B. Ghaffari; conference call with C. Skelton regarding upcoming meeting;	1.95	$1,023.75
Feb 12, 19	MP	Attend at CPC to reschedule the summary judgment motion for the Palace Pier property; review letter to J. Rifkin	3.79	$1,989.75
Feb 13, 19	MP	Attend at a meeting at Receiver's office with B. Katebian, P. Katebian and their counsel;	4.33	$2,273.25
Feb 20, 19	AMK	E-mail communication to C. Clark requesting certain instruments in respect of the properties;	0.20	$59.00
Feb 25, 19	AMK	Further preparation of summary of parcel registers;	1.30	$383.50
Mar 4, 19	MP	Conference call regarding status updates with J. Gibson and D. Emami;	0.87	$456.75
Mar 5, 19	AMK	Further preparation of summary of properties;	3.50	$1,032.50

Mar 6, 19	MP	Conference call with C. Skelton and J. Knight regarding OSC's request; review memo with respect to same;	1.19	$624.75
Mar 8, 19	MP	Email correspondence with E. Karp and B. Phillips regarding a motion in the injuction proceeding regarding Steeles; email correspondence with E. Karp regarding Dovercourt;	0.76	$399.00
Mar 13, 19	MP	Email correspondence with F. Yack regarding production of documents in connection with the Birchmount financing;	0.32	$168.00
Mar 18, 19	MP	Email correspondence with counsel regarding scheduling of cross-examinations on Palace Pier;	0.32	$168.00
Mar 20, 19	DB	Review settlement proposal; discussions with M. Poliak re: terms of proposal and strategies for resolutions;	1.00	$525.00
Mar 20, 19	MP	Conference call with J. Krieger regarding outstanding matters; draft settlement offer to L. Ellis; review and provide comments on memo to OSC re: outstanding files;	2.81	$1,475.25
Mar 21, 19	MP	Conference call with L. Ellis regarding settlement; finalize draft settlement; email correspondence with J. Krieger regarding same; email correspondence with L. Ellis regarding certificates registered by the OSC against King and Boake; conference call with J. Gibson regarding same;	1.41	$740.25
Mar 22, 19	DB	Telephone conference with M. Poliak and J. Gibson re: settlement issues and contested ownership of King and Boake; Telephone discussions with J. Kukla re: Home Trust motion for a writ of possession pending;	1.50	$787.50
Mar 25, 19	MP	Call with L. Ellis and client to discuss a global settlement; conference call with client regarding same; review affidavits sworn and filed by T. Wilson in various proceedings in preparation for the call;	1.95	$1,023.75

Mar 26, 19	MP	Review draft memo to OSC; email correspondence with J. Gibson regarding same;	0.32	$168.00
Mar 27, 19	MP	Conference calls with C. Skelton regarding potential litigation claims and Palace Pier;	0.32	$168.00
Mar 28, 19	MP	Review settlement counter-offer received from L. Ellis; conference call with J. Krieger regarding same; draft email to L. Ellis regarding same;	0.54	$283.50
Mar 29, 19	MP	Conference call with L. Ellis and J. Krieger regarding settlement;	0.32	$168.00
			71.89	$35,627.50
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES	**$35,627.50**
HST at 13.00%	4,631.58

DISBURSEMENTS:

Subject to HST:

Legal Research Taxable	$104.25	
Internet Search Fee Taxable	$44.25	
Teraview Charges Taxable	$192.80	
Parking Charges Taxable	$11.06	
Telecopier Charges Taxable	$10.50	
		$362.86

Non-Taxable:

Teraview Charges Non-taxable	$56.95	
Government Disbursement Internet Search Non-tax.	$24.00	
		$80.95

TOTAL DISBURSEMENTS	**$443.81**

HST at 13.00%	47.17
GRAND TOTAL	**$40,750.06**

CHAITONS LLP

per: ______________________

Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
HARVEY G. CHAITON	$725.00	3.38	$2,450.00
DOUG BOURASSA	$525.00	5.80	$3,045.00
DOUG BOURASSA	$495.00	0.50	$247.50
MAYA POLIAK	$525.00	50.61	$26,570.00
SAM RAPPOS	$495.00	0.40	$198.00
ALEXANDRA KRANCEVIC	$295.00	6.60	$1,947.00
ARYAN ZIAIE	$325.00	2.00	$650.00
SANEEA TANVIR	$200.00	2.60	$520.00
Total:		71.89	$35,627.50

THIS IS EXHIBIT "D" TO

THE AFFIDAVIT OF SAM RAPPOS

SWORN BEFORE ME THIS 8TH

DAY OF MAY, 2019

A Commissioner Etc.

SUMMARY

Lawyer	Year of Call	Hours Billed	Hourly Rate	Amount Billed
Harvey Chaiton	1982	10.78	$695.00	$7,490.50
Harvey Chaiton	1982	3.38	$725.00	$2,450.50
Doug Bourassa	2005	13.00	$495.00	$6,435.00
Doug Bourassa	2005	5.80	$525.00	$3,045.00
Maya Poliak	2007	38.02	$495.00	$18,819.90
Maya Poliak	2007	50.61	$525.00	$26,570.25
Alexandra Krancevic	2017	6.20	$250.00	$1,550.00
Alexandra Krancevic	2017	6.60	$295.00	$1,947.00
Sam Rappos	2005	15.40	$495.00	$7,623.00
Aryan Ziaie	2016	2.00	$325.00	$650.00
Saneea Tanvir	Articling Student	6.60	$200.00	$1,320.00
Total Hours and Amounts Billed		**158.39**		**$77,900.50**
Average Hourly Rate			**$492.00**	
Total Costs				**$1,125.17**
Total Taxes (HST)				**$10,231.21**
TOTAL				**$89,256.88**

ONTARIO SECURITIES COMMISSION
Applicant

-and-

MONEY GATE MORTGAGE INVESTMENT
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

AFFIDAVIT OF SAM RAPPOS

CHAITONS LLP
Barristers & Solicitors
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Maya Poliak (54100A)
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Fax: (416) 218-1844

Lawyers for Receiver, Grant Thornton Limited