

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM) WEDNESDAY, THE 31ST
JUSTICE CONWAY) DAY OF JULY, 2019

IN THE MATTER OF THE RECEIVERSHIP OF First Leaside Wealth Management Inc.
and the Applicants Listed on Schedule "A" (collectively, "First Leaside")



ORDER

(Final Distribution, Fee Approvals & Discharge)

THIS MOTION, made by Grant Thornton Limited ("**GTL**") in its capacity as the Court-appointed receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of First Leaside, for an order, among other things, approving a final distribution to creditors, approving the activities, fees and disbursements of the Receiver, its counsel and Representative Counsel (as defined below) and discharging and releasing the Receiver and Representative Counsel was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Seventh Report of the Receiver dated July 24, 2019 (the "**Seventh Report**"); the affidavit of Jonathan Krieger, sworn July 22, 2019 (the "**Krieger Affidavit**"); the affidavit of Chris Burr, sworn July 23, 2019 (the "**Burr Affidavit**"); the affidavit of Shayne

Kukulowicz, sworn June 27, 2019 (the “**Kukulowicz Affidavit**”); the affidavit of Matthew Gottlieb, sworn July 8, 2019 (the “**Gottlieb Affidavit**”); and on hearing the submissions of counsel for the Receiver, Representative Counsel and the other parties on the sign-in sheet, attached, no one else appearing although served as evidenced by the Affidavit of Caitlin McIntyre sworn July 25, 2019, filed:

DEFINITIONS

1. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meaning given to them in the Seventh Report.

SERVICE

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the Seventh Report is hereby abridged and the manner thereof validated so that this Motion is properly returnable today and hereby dispenses with any further or other service thereof.

APPROVAL OF FINAL DISTRIBUTION

3. **THIS COURT ORDERS** that the Receiver’s proposed Final Distribution be and is hereby approved, and the Receiver be and is hereby authorized and directed to make, or cause to be made, the Final Distribution to each Investor, in an equal amount to each Investor, provided that no Investor shall recover greater than 100% of the amount it invested.
4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to distribute, or cause to be distributed, any amounts due and payable to the First Leaside

Investment Funds, or on account of securities held in an account maintained by Fidelity Clearing Canada ULC (“**Fidelity**”), directly to Investors holding units in such First Leaside Investment Funds or Fidelity account.

5. **THIS COURT ORDERS** that the Term Sheet between the Receiver and the Distribution Agent is hereby approved, and the Receiver is hereby authorized, but not required, to enter into the Term Sheet.
6. **THIS COURT ORDERS** that the Final Distribution may be made by the Distribution Agent pursuant to the terms of the Term Sheet, and the Receiver is hereby authorized, but not required, to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation of the Term Sheet.
7. **THIS COURT ORDERS** that if, on the date that is six (6) months following the Second Distribution Date, or on such other date as the Court may direct, the aggregate face value of unclaimed or un-cashed cheques sent to Investors as part of the Final Distribution is less than \$100,000, the Receiver is authorized to pay, or to cause to be paid, the remaining proceeds of the First Leaside estates to the Canadian Foundation for Advancement of Investor Rights, or such other charitable organization as the Court may direct.

DESTRUCTION OF BOOKS AND RECORDS

8. **THIS COURT ORDERS** that effective as of sixty (60) days following the issuance of this Order, the Receiver be and is hereby authorized to destroy, or cause the destruction, of the Books and Records.

TERMINATION OF RECEIVERSHIP PROCEEDINGS

9. **THIS COURT ORDERS** that upon the filing of a certificate of the Receiver substantially in the form attached hereto as Schedule “B” (the “**Receiver’s Completion Certificate**”) certifying that, to the best of the knowledge and belief of the Receiver, all matters to be attended to in connection with the Receivership Proceedings have been completed, the within Receivership Proceedings shall be terminated without any other act or formality (the “**Termination Time**”).
10. **THIS COURT ORDERS** that the Receiver’s Charge (as defined in the Order of Mr. Justice Wilton-Siegel dated December 7, 2012) shall be and is hereby terminated, released and discharged at the Termination Time.

DISCHARGE OF THE RECEIVER AND REPRESENTATIVE COUNSEL

11. **THIS COURT ORDERS** that the Receiver shall, at least seven (7) days prior to the proposed Termination Time, provide notice to the Service List of the Receiver’s intention to file the Receiver’s Completion Certificate and that upon the filing of the Receiver’s Completion Certificate, the release and discharge of the Subsequent Released Claims (as defined below) shall be deemed effective unless any objection is received by the Receiver in accordance with paragraph 16 hereof.
12. **THIS COURT ORDERS AND DECLARES** that effective at the Termination Time, GTL shall be and is hereby discharged as Receiver and shall have no further duties, obligations or responsibilities as Receiver from and after the Termination Time.

13. **THIS COURT ORDERS AND DECLARES** that effective at the Termination Time, Cassels Brock & Blackwell LLP shall be and is hereby discharged as Representative Counsel, and shall have no further duties, obligations or responsibilities as representative counsel from and after the Termination Time.
14. **THIS COURT ORDERS** that effective as of the date of this Order, in addition to the protections in favour of the Receiver in any Order of this Court in these Receivership Proceedings or the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), the Receiver, Blake, Cassels & Graydon LLP (“**Blakes**”), Lax O’Sullivan Lisus Scott Gottlieb LLP (“**Lax**”), in their capacity as counsel to the Receiver, Representative Counsel, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the “**Released Parties**”) are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of the within Receivership Proceedings or with respect to their respective conduct in the within Receivership Proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.
15. **THIS COURT ORDERS** that effective as of the Termination Time, in addition to the protections in favour of the Receiver in any Order of this Court in these Receivership

Proceedings or the BIA, the Released Parties are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the date of this Order in any way relating to, arising out of or in respect of the within Receivership Proceedings or with respect to their respective conduct in the within Receivership Proceedings (collectively, the “**Subsequent Released Claims**”), and any such Subsequent Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Subsequent Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

16. **THIS COURT ORDERS** that in the event that any person objects to the release and discharge of the Subsequent Released Claims pursuant to paragraph 15 hereof, that person must send a written notice of objection and the grounds therefor to the Receiver at the address set out on the Service List such that the objection is received by the Receiver prior to the proposed Termination Time. If no objection is received by the Receiver prior to the proposed Termination Time, the release and discharge of Subsequent Released Claims pursuant to paragraph 15 hereof shall be automatically deemed effective upon the Termination Time up to and including the Termination Time, without further Order of the Court.
17. **THIS COURT ORDERS** that if an objection to the release of the Subsequent Released Claims pursuant to paragraph 15 hereof is received by the Receiver in accordance with

paragraph 16 hereof, the release and discharge of the Subsequent Released Claims pursuant to paragraph 15 hereof shall only become effective if the objection is resolved or upon further Order of the Court. For greater certainty, no objection received in accordance with paragraph 16 hereof shall affect the release and discharge of the Released Claims pursuant to paragraph 14 hereof, which shall be effective as of the date of this Order.

18. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to the within Receivership Proceedings, except with prior leave of this Court on at least seven days' prior written notice to the applicable Released Party, and provided that any such Order granting leave includes a term granting the applicable Released Party security for its costs and the costs of its counsel in connection with any proposed action or proceeding, such security to be on terms this Court deems just and appropriate.

19. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of the within Receivership Proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and the Receiver shall continue to have the benefit of, any of the protections in favour of the Receiver at law or pursuant to the BIA or any Order of this Court in the within Receivership Proceedings or otherwise.

APPROVAL OF FEES AND ACTIVITIES

20. **THIS COURT ORDERS** that the activities of the Receiver occurring prior to the date hereof in relation to First Leaside and these proceedings, as are further particularized in the Seventh Report, are hereby ratified and approved, provided, however, that only the

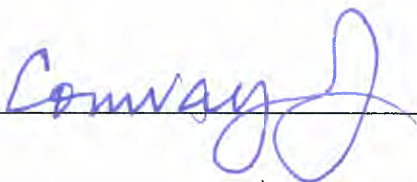
Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

21. **THIS COURT ORDERS** that the July 2019 R&D be and is hereby approved.
22. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period from April 1, 2017 to June 30, 2019, in the aggregate amount of \$198,736.11 plus HST, as detailed in the Krieger Affidavit, and the fees and disbursements of the Receiver estimated not to exceed \$100,000, plus HST, to complete the Receiver's remaining duties, be and are hereby approved.
23. **THIS COURT ORDERS** that the fees and disbursements of legal counsel to the Receiver, Blakes, for the period from April 1, 2017 to June 30, 2019, in the aggregate amount of \$106,354.20 plus HST, as detailed in the Burr Affidavit, and the fees and disbursements of Blakes, estimated not to exceed \$50,000, plus HST, to complete Blakes' remaining work in these Receivership Proceedings, be and are hereby approved.
24. **THIS COURT ORDERS** that the fees and disbursements of legal counsel to the Receiver, Lax, for the period from April 1, 2017 to June 30, 2019, in the aggregate amount of \$42,356.79 plus HST, as detailed in the Gottlieb Affidavit, be and are hereby approved.
25. **THIS COURT ORDERS** that the fees and disbursements of Representative Counsel, Cassels Brock & Blackwell LLP for the period April 1, 2017 to December 31, 2018, in the aggregate amount of \$55,033.41 plus HST, as detailed in the Kukulowicz Affidavit and the fees and disbursements of Representative Counsel, estimated not to exceed \$25,000, plus

HST, to complete Representative Counsel's remaining work in these Receivership Proceedings, be and are hereby approved.

GENERAL

26. **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, or in any other foreign jurisdiction, 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, to grant representative status to the Receiver in any foreign proceeding or to assist the Receiver and its agents in carrying out the terms of this Order.

A handwritten signature in blue ink, appearing to read "Conway", is written over a horizontal line.

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

JUL 31 2019

PER / PAR 

Schedule A – List of Additional Receivership Applicants

First Leaside Finance Inc.
First Leaside Securities Inc.
F.L. Securities Inc.
Mill Street Limited Partnership
Harmony Townhomes Limited Partnership
First Leaside Management Inc.
Development Notes Limited Partnership
Special Notes Limited Partnership
First Leaside Accounting and Tax Services Inc.
First Leaside Realty Inc.
First Leaside Realty Limited Partnership
First Leaside Realty II Inc.
First Leaside Investors Limited Partnership
First Leaside Premier Limited Partnership
First Leaside Progressive Limited Partnership
First Leaside Realty II Limited Partnership
First Leaside Ultimate Limited Partnership
First Leaside Universal Limited Partnership
Uxbridge Development Limited Partnership
First Leaside Retirement Residences Limited Partnership
First Leaside Venture Limited Partnership
965010 Ontario Inc.
Wimberly Apartments Limited Partnership
1045517 Ontario Inc.
The Shores Limited Partnership
1024919 Ontario Inc.
Old Mill Pond Apartments Limited Partnership
1031628 Ontario Inc.
1056971 Ontario Inc.
The Bluffs of Lakewood Limited Partnership
1376095 Ontario Inc.
F.L. Spring Valley Limited Partnership
1437290 Ontario Ltd.
First Leaside Partners Limited Partnership
First Leaside Opportunities Limited Partnership
1244428 Ontario Ltd.
Preston Racquet Club Real Estate Limited Partnership Series 910PA
Preston Racquet Club Real Estate Limited Partnership Series 910PB
Preston Racquet Club Real Estate Limited Partnership Series 910PC
Preston Racquet Club Real Estate Limited Partnership Series 910PD
PrestonOne Development (Canada) Inc.
PrestonTwo Development (Canada) Inc.
PrestonThree Development (Canada) Inc.
PrestonFour Development (Canada) Inc.

1331607 Ontario Inc.
First Leaside Acquisitions Limited Partnership
Queenston Manor General Partner Inc.
Queenston Manor Limited Partnership
2107738 Ontario Inc.
First Leaside Advantage Limited Partnership
2128054 Ontario Inc.
First Leaside Elite Limited Partnership
1132413 Ontario Inc.
First Leaside Entities Limited Partnership
2067171 Ontario Inc.
First Leaside Expansion Limited Partnership
2085306 Ontario Inc.
First Leaside Growth Limited Partnership
2086218 Ontario Inc.
First Leaside Unity Limited Partnership
First Leaside Visions Management Inc.
2007804 Ontario Inc.
First Leaside Wealth Management Limited Partnership
First Leaside Fund Management Inc.
F.L. Beverages Group Limited Partnership
First Leaside Global Limited Partnership
Special U.S. Notes Limited Partnership
FLWM Holdings Limited Partnership
First Leaside Select Limited Partnership
Cherry Park Retirement Residences Limited Partnership
First Leaside Retirement Residences (Okanagan) Limited Partnership
Orchard Valley Retirement Residences Limited Partnership
The Shores Retirement Residences Limited Partnership
F.L. PrimeTime Living Limited Partnership
2004516 Ontario Inc.

Schedule B - Form of Receiver's Certificate

Court File No. CV-12-9930-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE RECEIVERSHIP OF First Leaside Wealth Management Inc.
and the Applicants Listed on Schedule "A" (collectively, "First Leaside")**

RECEIVER'S COMPLETION CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**"), on December 7, 2012 (the "**Appointment Order**"), Grant Thornton Limited was appointed as the receiver (the "**Receiver**") of First Leaside. The proceedings commenced by the Appointment Order will be referred to herein as the "**Receivership Proceedings**".

B. The Receivership Proceedings have been completed in accordance with the Orders of this Court.

C. Pursuant to the Order of this Court dated July 31, 2019 (the "**Receivership Termination Order**"), the Receiver and Representative Counsel shall be discharged and the Receivership Proceedings shall be terminated upon the filing of this Receiver's Completion Certificate with the Court.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Receivership Termination Order.

THE RECEIVER CERTIFIES the following:

1. To the best of the Receiver's knowledge and belief, all matters to be attended to in connection with the Receivership Proceedings have been completed.

ACCORDINGLY, the Termination Time as defined in the Receivership Termination Order has occurred.

DATED at Toronto, Ontario this _____ day of _____, _____.

**Grant Thornton Limited, in its capacity as
Receiver of First Leaside, and not in its
personal capacity**

Per: _____

Name:

Title:

IN THE MATTER OF THE RECEIVERSHIP OF FIRST LEASIDE WEALTH MANAGEMENT INC. et al.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding Commenced at Toronto

**ORDER
(Final Distribution, Fee Approval & Discharge)**

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Lawyers for the Receiver