

**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

**SEVENTH AND FINAL REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS
CAPACITY AS RECEIVER OF THE RESPONDENT**

March 20, 2023



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

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B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

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MONEY GATE MORTGAGE INVESTMENT CORPORATION

Respondent

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

**SEVENTH AND FINAL REPORT TO THE COURT OF GRANT THORNTON LIMITED
IN ITS CAPACITY AS RECEIVER OF THE RESPONDENT**

March 20, 2023

INTRODUCTION

1. This Report (the “**Seventh 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 Hailey, as amended (collectively, the “**Appointment Order**”). A copy of the Appointment Order is attached to this Report as **Appendix “A”**.

PURPOSE OF THIS SEVENTH REPORT

2. The purpose of this Seventh Report is to provide an update on the status of MGMIC’s receivership since the Receiver’s last update contained in its Sixth Report dated November 22, 2022 (the “**Sixth Report**”), a copy of which (without appendices) is attached as **Appendix “B”**, and to provide information to the Court to support the Receiver’s request for an Order:

- (a) approving the Sixth Report and this Seventh Report and the activities of the Receiver as described therein and herein;
- (b) authorizing and directing the Receiver to follow the Surplus Distribution Procedure (as defined below) in the event that the Receiver holds less than \$100,000 as at September 30, 2023 in its trust account, representing distributions that did not clear the Receiver's trust account following the Final Distribution (as defined below);
- (c) directing the Receiver to pay \$17,545,77 owing to Morteza Katebian, also known as Ben Katebian ("**Ben**") on account of his Proven Claim (as defined in the Claims Procedure Order dated June 16, 2020) into Court;
- (d) approving the fees and disbursement of the Receiver from October 16, 2020, to and including February 28, 2023, and its legal counsel, Chaitons LLP ("**Chaitons**") from October 1, 2020 to February 28, 2023;
- (e) approving the Final Fees (as defined below) to complete the receivership administration, as described further herein;
- (f) approving the Final R&D (as defined herein); and
- (g) discharging the Receiver upon filing of a certificate confirming that the Receiver has completed all Remaining Matters (as defined herein); and, releasing the Receiver from any claims which have been raised or which could have been raised in this proceeding against the Receiver, and any and all liability in respect of any act done or default made by GTL, or any acts or omission of GTL in respect of MGMIC and its conduct as the Receiver, except for gross negligence and willful misconduct.

RESTRICTIONS AND TERMS OF REFERENCE

3. In preparing this Seventh Report, the Receiver has relied upon unaudited financial information, MGMIC's books and records and certain financial information. Except as described in this Seventh Report, the Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or

completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.

4. This Seventh Report has been prepared for the use of this Court to provide general information and an update relating to this proceeding for the purpose of assisting the Court in making a determination as to whether to approve the relief sought. This Seventh Report should not be relied on for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this Seventh Report contrary to the provisions of this paragraph.
5. All references to dollars are in Canadian currency unless otherwise noted.
6. Copies of materials filed in these Receivership Proceedings are available on the Receiver's Case Website at: www.GrantThornton.ca/MoneyGate.

BACKGROUND

7. MGMIC carried on business as a mortgage investment corporation. 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 subsequently pooled and used to make loans to borrowers secured by mortgages registered against the borrowers' properties or were used to acquire an interest in existing mortgages.
8. Ben and Ben's son Payam Katebian ("**Payam**", and together with Ben, the "**Katebians**") were the sole directors and officers of MGMIC.
9. At the time of the Receiver's appointment, MGMIC's mortgage portfolio consisted of nine mortgages (the "**Mortgages**") registered against seven properties located across the province of Ontario summarized below¹:

¹ MGMIC's mortgages registered against the Steeles Property and the Dovercourt Property were discharged either through a power of sale proceeding by the first mortgagee in respect of Steeles or by registration of a vesting order by a receiver appointed to sell the Dovercourt Property. As described in greater detail in the Receiver's Fourth Report dated April 30, 2020 (the "**Fourth Report**"), GTL in its capacity as the Receiver of MGMIC asserted a security interest

Property	Municipal 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"	4342 Steeles Ave West Vaughan	-	320,000	-
"Euclid Property"	293 Euclid Ave Toronto	-	282,500	-

THE STATUS OF MGMIC'S MORTGAGES

10. In its past reports to the Court, the Receiver provided a detailed update on the status of each of the Mortgages. As described by the Receiver in the Sixth Report, as at the date of the Sixth Report, the Receiver completed enforcement and/or recovery proceedings with respect to all of the mortgages with the exception of the mortgages registered against the Timiskaming Property and the Timmins Property (the "**Outstanding Mortgages**").
11. On January 19, 2023, the Court granted an order approving the settlement of the action commenced by the Receiver against Troy Wilson (the "**Wilson Settlement**"). The particulars of the Wilson Settlement were set out in the Sixth Report and the Affidavit of Amanda Werger sworn January 3, 2023 and filed in support of the Receiver's motion. Attached to this Report as **Appendix "C"** is a copy of Ms. Werger's affidavit together with Exhibits B and C.

in the proceeds from the sale of the Dovercourt Property and the Steeles Property. The amounts set out in the chart above represent the principal amount of the loan made by MGMIC or the amount paid by MGMIC to acquire the mortgage (excluding interest earned by MGMIC on these loans).

12. Pursuant to the terms of the Settlement, upon receipt of payment of the settlement funds by the Receiver from Troy Wilson, the Receiver was to have assigned the Outstanding Mortgages to Troy Wilson, or as otherwise directed by Troy Wilson.
13. Troy Wilson has made the payment of the settlement amount in accordance with the terms of the Settlement. The Receiver is in the process of completing the assignment of the Outstanding Mortgages in accordance with the terms of the Settlement.
14. Once assignment of the Outstanding Mortgages is completed, the administration of this receivership proceeding will be complete, subject to the Receiver completing the Remaining Activities (as defined below).

DISTRIBUTION OF REMAINING FUNDS

15. On November 25, 2020, the Court granted an order, among other things, authorizing the Receiver to make distributions of funds in its trust account to investors holding proven claims without a further order of the Court (the “**Distribution Order**”). A copy of the Distribution Order is attached to this Report as **Appendix “D”**.
16. The Receiver has prepared its Final Statement of Receipts and Disbursements dated March 16, 2023 (the “**Final R&D**”). In its Final R&D, the Receiver has accounted for all of the professional fees accrued to date, as well as the Final Fees (as defined below). The Final R&D is attached to this Report as **Appendix “E”**.
17. Following the Distribution Order, the Receiver facilitated the first distribution to investors with Proven Claims (subject to holdbacks) in the amount of \$857,000 (the “**First Distribution**”) which totaled approximately 7.6% in dollar value of Proven Claims. As set out in the Final R&D, the Receiver proposes a second distribution of \$1,202,322 which represents a 10.60% distribution to investors holding Proven Claims². This distribution represents the second and final distribution from MGMIC’s estate (the “**Final Distribution**”).

² As such term is defined in the Claims Procedure Order dated June 16, 2020, a copy of which is attached to this Report as **Appendix “F”**.

18. The Receiver believes an efficient path to bring the receivership to a timely end is necessary. From its experience on other administrations with investor stakeholders that have taken many years to complete, there are inherent difficulties in locating and making distributions to Investors who may be deceased or have moved addresses but the estate or the investor has not provided the Receiver with new contact information. The Receiver believes that the cost of running another distribution process or cheque run is uneconomical if there is less than 5% of the total dividend being uncashed from the Final Distribution.
19. The Receiver proposes that in the event certain Final Distributions have not cleared by September 30, 2023 (being approximately six months from the date of the issuance of the Final Distribution (the “**Expiry Date**”), and the aggregate thereof is less than \$100,000, the Receiver is authorized to donate such proceeds to the Canadian Foundation for Advancement of Investor Rights, which is a charitable organization, or such other recipient as the Court may direct (the “**Charity**”). If the balance of uncashed Final Distributions is greater than \$100,000 as at September 30, 2023, the Receiver may return to Court for advice and directions (the “**Surplus Distribution Procedure**”).
20. Prior to the Expiry Date, if cheques remain uncashed after 60 days of the Final Distribution being issued (being May 30, 2023), the Receiver will use its best efforts to ensure that each investor holding a Proven Claim receives their share of the Final Distribution by:
 - (a) following up on returned mail by seeking new addresses by a Google search;
 - (b) sending emails to the last known email address for such investor; and
 - (c) telephoning the last known telephone number for such investor.

FUNDS PAYABLE TO BEN

21. Following the appointment of the Receiver, the OSC commenced a proceeding against Ben, Payam, Money Gate Corp. (“**MGC**”) and MGMIC (the “**Katebian Proceeding**”). On December 17, 2019, following the conclusion of the merits hearing, the OSC issued Reasons and Decisions wherein it found, among other things, that Ben and Payam: (i) engaged in the business of trading in MGMIC’s securities, without being registered to do so; (ii) defrauded MGMIC’s investors by

knowingly deploying the raised funds in a manner that was inconsistent with the commitments MGMIC had made to those investors, and by diverting some of those funds instead to themselves or entities controlled by or associated with them; and (iii) improperly put investor funds at risk and ultimately caused investor losses by (the “**Merits Decision**”). A copy of the Merits Decision is attached to this Report as **Appendix “G”**.

22. On April 1, 2021, the OSC issued Reasons and Decision on the sanctions and costs hearing (the “**Sanctions Decision**”) wherein it found that it is in the public interest to order, among other things, that:

- (a) Ben pay an administrative penalty of \$750,000;
- (b) Payam pay an administrative penalty of \$600,000;
- (c) Ben, Payam and MGC jointly and severally disgorge to the OSC \$8,711,138; and
- (d) Ben, Payam and MGC pay costs to the Commission in the amount of \$597,122.58.

A copy of the Sanctions Decision is attached to this Report as **Appendix “H”**.

23. The Receiver is advised by Staff of the OSC that the Katebians appealed the Merits Decision and the Sanctions Decision (the “**Appeals**”). The Receiver is also advised by Staff that it had agreed not to take collection steps against the Katebians and MGC pending the final resolution of the appeal to the Divisional Court.
24. Ben is an investor in MGMIC holding a Proven Claim. Pursuant to the terms of the Distribution Order, Ben is entitled to receive a distribution in this receivership proceeding in the amount of \$17,545.77 (the “**Ben Distribution**”), which is the aggregate of his proportionate share of the First Distribution and the Final Distribution.
25. But for the OSC’s agreement to hold off on taking collection steps pending the appeal, the OSC would have the right to garnish the Ben Distribution. The OSC has requested that the Receiver seek an order paying the Ben Distribution into Court pending the resolution of the appeal.

PROFESSIONAL FEES

26. 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.
27. The Receiver seeks to have its fees and disbursements approved by the Court for the period beginning October 16, 2020 and ending February 28, 2023 and including those of its legal counsel for the period beginning October 1, 2020 and ending February 28, 2023. The Receiver and its counsel have maintained detailed records of their professional time and costs. The Receiver's fees have previously been approved for the period ended October 15, 2020, and Chaitons fees have previously been approved for the period ended September 30, 2020.
28. The total fees for the Receiver for the period October 16, 2020 and ending February 28, 2023, amount to \$132,760.19 and HST of \$17,258.82, for a total of \$150,019.01. The time spent by the Receiver is more particularly described in the Affidavit of Jonathan Krieger sworn March 20, 2023 (the "**Krieger MGMIC Affidavit**"), which is attached hereto as **Appendix "I"** and contains copies of invoices that set out the services provided during this time period.
29. The total fees of Chaitons, as counsel to the Receiver, for the period of October 1, 2020 and ending February 28, 2023, amount to \$132,482.50, plus disbursements of \$3,802.44 and HST of \$17,548.67 for a total of \$153,833.61. The time spent by Chaitons is more particularly described in the Affidavit of Darren Marr sworn March 16, 2023 (the "**Chaitons Affidavit**"), which is attached hereto as **Appendix "J"** and contains, among other things, copies of invoices that set out the services provided during this period of time
30. The Receiver is of the view that there was an extraordinary amount of work to complete this administration, notwithstanding a distribution of only approximately \$2.1 million to investors. Enforcement and collection in respect of every mortgage subject to the receivership had significant complexity, litigation, and enforcement challenges, evidenced by seven reports to

Court, and multiple affidavits prepared by the Receiver in parallel proceedings. Further, as set out above, the MGMIC mortgages were in some cases not first ranking mortgages on the properties, so the majority of proceeds in those cases went to settle the prior registered mortgages. The Receiver believes that had these efforts not been taken, the investors would have received almost no recoveries.

31. The Receiver plans to hold back \$50,000 plus HST with respect to the Receiver's fees and Chaitons fees for the time spent in connection with this motion and to finalize the Receivership Proceedings (the "**Final Fees**"). The Final Fees account for, among other things, the cost of administering the Final Distribution. Such amount is reflected on the Final R&D.
32. The Receiver respectfully requests that its fees and disbursement, and those of Chaitons, in addition to the Final Fees be approved.

DISCHARGE AND REMAINING ACTIVITIES

33. Following the completion of assignment of the Outstanding Mortgages, the Receiver's mandate in this receivership proceeding is complete.
34. The Receiver respectfully requests that the Court grant an order discharging GTL as Receiver of MGMIC and releasing GTL from any and all liability in its capacity as Receiver, subject only to the Receiver completing the following remaining items (the "**Remaining Items**"), and the filing of its discharge certificate with the Court:
 - (a) remittance of final receivership related disbursements and approved fees and disbursements of the Receiver and its counsel, Chaitons;
 - (b) completion of assignment of the Outstanding Mortgages pursuant to the terms of the Wilson Settlement;
 - (c) discontinuance of the action against Troy Wilson; and
 - (d) completion of the Final Distribution, including the Surplus Distribution Procedure.

CONCLUSION AND RECOMMENDATION

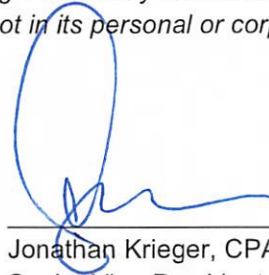
35. The Receiver is of the view that the relief requested is reasonable and appropriate in the circumstances and respectfully recommends that this Court make the order granting the Receiver's requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 20th day of March 2023.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

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TUESDAY, THE 6TH

JUSTICE **HAINES**

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DAY OF NOVEMBER, 2018

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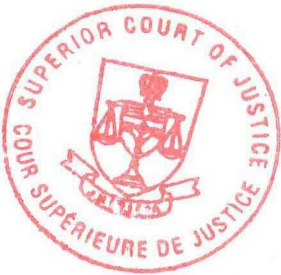
ONTARIO SECURITIES COMMISSION

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 and 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.

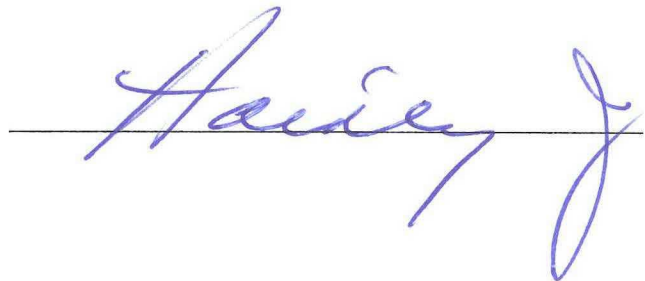
33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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 628580)
Tel: 416-263-3783**

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

**Counsel for the Ontario Securities
Commission**

APPENDIX B

**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

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

November 22, 2022



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

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THE ACTION AGAINST WILSON AND SETTLEMENT.....	8
CONCLUSION AND RECOMMENDATION	10

APPENDICES

- Appendix A** Fifth Report of Receiver dated October 29, 2020, without appendices
- Appendix B** Fourth Report of the Receiver dated April 30, 2020, without appendices
- Appendix C** Statement of Claim issued October 23, 2020
- Appendix D** Statement of Defence dated December 16, 2020

Confidential Minutes of Settlement

Appendix 1

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

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

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

November 22, 2022

INTRODUCTION

1. This Report (the **"Sixth 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"**).

PURPOSE OF THIS SIXTH REPORT

2. The purpose of this Sixth Report is to:

- (a) provide an update on the status of MGMIC's receivership since the Receiver's last update contained in its Fifth Report dated October 20, 2020, (the "**Fifth Report**"), a copy of which (without appendices) is attached as **Appendix "A"**;
- (b) provide the Court with information in support of the Receiver's request for an order approving the Minutes of Settlement dated September 22, 2022, between Troy Edward Thomas Wilson ("**Wilson**") and the Receiver, as amended by the Amendment dated November 18, 2022 (collectively, the "**Minutes of Settlement**"). The Minutes of Settlement are attached to this Report as Confidential Appendix 1.

RESTRICTIONS AND TERMS OF REFERENCE

- 3. In preparing this Sixth Report, the Receiver has relied upon unaudited financial information, MGMIC's books and records and certain financial information. Except as described in this Sixth Report, the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
- 4. This Sixth Report has been prepared for the use of this Court to provide general information and an update relating to this proceeding for the purpose of assisting the Court in making a determination as to whether to approve the relief sought. This Sixth Report should not be relied on for any other purpose. The Receiver will not assume responsibility or liability for losses incurred as a result of the circulation, publication, reproduction or use of this Sixth Report contrary to the provisions of this paragraph.
- 5. All references to dollars are in Canadian currency unless otherwise noted.
- 6. Copies of materials filed in these Receivership Proceedings are available on the Receiver's Case Website at: www.GrantThornton.ca/MoneyGate.

BACKGROUND

7. MGMIC carried on business as a mortgage investment corporation. 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 subsequently pooled and used to make loans to borrowers secured by mortgages registered against the borrowers' properties or were used to acquire an interest in existing mortgages.
8. Morteza Katebian, also known as Ben Katebian ("**Ben**") Ben and Ben's son Payam Katebian ("**Payam**", and together with Ben, the "**Katebians**") were the sole directors and officers of MGMIC.
9. At the time of the Receiver's appointment, MGMIC's mortgage portfolio consisted of eight mortgages (the "**Mortgages**") registered against seven properties located across the province of Ontario summarized below¹:

Property	Municipal 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"	4342 Steeles Ave West Vaughan	-	320,000	-
"Euclid Property"	293 Euclid Ave Toronto	-	282,500	-

¹ MGMIC's mortgages registered against the Steeles Property and the Dovercourt Property were discharged either through a power of sale proceeding by the first mortgagee in respect of Steeles or by registration of a vesting order by a receiver appointed to sell the Dovercourt Property. As described in greater detail in the Receiver's Fourth Report dated April 30, 2020 (the "**Fourth Report**"), GTL in its capacity as the Receiver of MGMIC asserted a security interest in the proceeds from the sale of the Dovercourt Property and the Steeles Property. The amounts set out in the chart above represent the principal amount of the loan made by MGMIC or the amount paid by MGMIC to acquire the mortgage (excluding interest earned by MGMIC on these loans). A copy of the Fourth Report without appendices is attached hereto as **Appendix "B"**.

THE STATUS OF MGMIC'S MORTGAGES

General Update

10. In its past reports to the Court, the Receiver provided a detailed update on the status of each of the Mortgages. As described by the Receiver in the Fifth Report, as at October 20, 2020, the Receiver completed realizations on the Mortgages registered against the Birchmount Property, the Euclid Property, Steeles Property and the Palace Pier Property.
11. As described in greater detail in the Fifth Report, on February 5, 2020, the Receiver obtained an order of this Court directing that the net proceeds from the sale of the Dovercourt Property be paid to the Receiver. The order was appealed by the respondent on the motion. The appeal was dismissed on November 26, 2020.
12. The only Mortgages that the Receiver has not been able to recover on were the Mortgages registered against the Timiskaming Property and the Timmins Property. The particulars of these properties and the Mortgages registered against those properties were described in greater detail in the Fourth Report and are set out below.

The Timiskaming Property

13. The Timiskaming Property consists of a 38-hectare commercial site including a vacant wood panel manufacturing plant and a historic wood waste landfill.
14. Since its appointment, the Receiver has engaged in discussions with the Ministry of Environment and Climate Change of Ontario, Uniboard Canada, and an independent environmental engineer to determine the extent of environmental remediation requirements.
15. MGMIC holds the first mortgage which was acquired by MGMIC for \$435,000 and the second mortgage in the principal amount of \$3,475,000 against the Timiskaming Property.
16. The Timiskaming Property was purchased by Mansteel New Liskeard Inc. ("**Mansteel**"), a company owned and/or controlled, directly or indirectly, by Arash Missaghi ("**Missaghi**"), 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 the 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 is only entitled to access the Escrowed Funds if the Environmental Work was actually performed.

17. 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. 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 has not been remediated.
18. 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 to the Accountant of the Superior Court of Justice of Ontario. The Receiver has confirmed with the escrow agent that the Escrow Funds were paid into Court on December 15, 2017.
19. MGMIC’s mortgages registered against the Timiskaming Property have matured. Before commencing any enforcement steps in respect of the mortgages, in August 2019, the Receiver commissioned an independent appraisal of the Timiskaming Property in order to determine whether it will be commercial reasonable to undertake further environmental review.
20. A copy of the independent appraisal was provided to the Receiver on July 24, 2019 and was attached as Confidential Appendix “1” to the Fourth Report.
21. The Receiver, obtained a report from R.J. Burnside & Associates Limited dated March 22, 2022 that estimated environmental clean up on the Timiskaming Property would range from

approximately \$10-\$20 million which is significantly in excess of the realizable value of the Timiskaming Property,

22. Since the Receiver's last report, nothing that has come to the attention of the Receiver that is indicative the Timiskaming Property's valuation has changed materially.
23. Considering the valuation of the Timiskaming Property and the environmental liability associated with the Timiskaming Property, the Receiver did not take any enforcement steps with respect to the Timiskaming Property.

The Timmins Property

24. The Timmins Property consists of six (6) parcels of vacant land, totaling approximately 195 acres, located south-west of Timmins, Ontario.
25. Canadian Land Corporation ("CLC") is the registered owner of the Timmins Property. At all relevant times, Wilson was the director of CLC. The Receiver understands that CLC is owned directly or indirectly by Missaghi and/or his wife, who is Troy's associate.
26. MGMIC holds a first ranking mortgage against the Timmins Property in the principal amount of \$2,375,500.
27. The Timmins Mortgage matured on March 4, 2018. To determine what enforcement steps should be taken, the Receiver sought an independent appraisal of the Timmins Property in order to determine whether it will be commercially reasonable to undertake a further environmental review.
28. A copy of the independent appraisal was provided to the Receiver on July 24, 2019, and was attached as Confidential Appendix 2 to the Receiver's Fourth Report.
29. Since the Receiver's last report, nothing has come to the attention of the Receiver that is indicative the Timmins Property's valuation has changed materially.
30. Considering the environmental issues and the appraised value of the Timmins Property, the Receiver did not take any enforcement steps with respect to the Mortgage registered against the Timmins Property.

THE ACTION AGAINST WILSON AND SETTLEMENT

31. Pursuant to a Commitment Letter dated February 24, 2016 (the "**Commitment Letter**"), MGMIC advanced a mortgage loan of \$2,372,500 (the "**Loan**") to CLC, the registered owner of the Timmins Property.
32. The term of the Loan was renewed for a further twelve months by Commitment Letter dated February 1, 2017 (the "**Renewal Letter**"). The Loan was secured by, among other things, a mortgage registered against title to the Timmins Property (the "**Timmins Mortgage**").
33. The Commitment Letter, the Renewal Letter and the Timmins Mortgage were each executed by Wilson in his capacity as director of CLC and personally in his capacity as guarantor.
34. On October 23, 2020, the Receiver commenced an action in the Ontario Superior Court of Justice under Court file number CV-20-00649997-0000 (the "**Action**") by issuing a Statement of Claim, a copy of which is attached hereto as **Appendix "C"**.
35. Wilson served his Statement of Defence on December 16, 2020, a copy of which is attached hereto as **Appendix "D"**. In his defence, Wilson denies that CLC ever obtained the Loan from MGMIC. Wilson also alleged that the loan and security documents are the products of forgery and part of the "ongoing and improper course of illegal and fraudulent conduct of the Katebians." Similar allegations were raised by Wilson and his associates against the Katebians in other proceedings which have been litigated or are continuing to be litigated before this Court and other jurisdictions. The Katebians have also accused Wilson, Missaghi and their associates of fraudulent conduct.
36. On March 23, 2022, Wilson commenced a third-party claim against the Katebians for indemnity (the "**Third Party Claim**").
37. The Receiver scheduled a motion for summary judgment in the Action. The parties exchanged affidavit evidence and the Receiver examined Rasik Mehta ("**Mehta**"), who stated that he acted as legal counsel for MGMIC in connection with the Loan. Wilson alleges that Mehta cooperated with the Katebians on the alleged fraud relating to the Loan and the Timmins Mortgage.

38. Wilson and the Receiver, through their respective legal counsel, engaged in lengthy settlement negotiations of the Action, which culminated in the Minutes of Settlement.
39. The Minutes of Settlement require that the agreement and the accompanying documents be kept confidential. Accordingly, the Receiver seeks an order sealing the Minutes of Settlement pending a further order of the Court.
40. Notwithstanding, the confidentiality requirement, the following summary of the Minutes of Settlement is provided to allow MGMIC's stakeholders the opportunity to evaluate the commercial reasonableness of the proposed settlement:
- (a) Wilson shall pay to the Receiver a one-time lump sum payment by January 31, 2023 (the **"Settlement Amount"**);
 - (b) Following the receipt of the payment, the Receiver will assign to Wilson, or as otherwise directed, the Timmins Mortgage and the mortgages in favour of MGMIC registered against the Timiskaming Property;
 - (c) Wilson provided to the Receiver an executed Consent to Judgment for the full amount claimed by the Receiver in the Action, which can be utilized by the Receiver if payment of the settlement amount is not received by January 31, 2023;
 - (d) If payment is received, Wilson by January 31, 2023, the Receiver will obtain an order dismissing the Action against Wilson on a without cost basis. Once the Receiver obtained an order dismissing the Action, Wilson shall immediately obtain an order dismissing the Third-Party Claim on a without cost basis.
41. The Minutes of Settlement are conditional upon the approval of this Court in MGMIC's receivership proceeding.
42. The Action, the Mortgages against the Timmins Property and the Timiskaming Property represent the last remaining assets of MGMIC. If the Settlement Amount is paid in a manner required by the Minutes of Settlement and the Action is dismissed on a without cost basis, the Receiver will

complete final distributions to MGMIC's stakeholders and bring a motion for an order discharging and releasing the Receiver.

43. The Receiver believes that the Minutes of Settlement represent a reasonable and commercial settlement in the circumstances and recommends that the Court approve them for the following reasons:

- (a) the allegations of fraud against the Katebians and Mehta and the Third-Party Claim raise difficulties in prosecuting the Action in a summary cost effective manner;
- (b) The Receiver does not have first-hand knowledge of the events giving rise to the Loan and relies exclusively on MGMIC's books and records;
- (c) in a Decision dated April 1, 2021 issued in a proceeding commenced by the OSC against the Katebians and MGMIC, the OSC found that the Katebians perpetrated fraud on MGMIC's investors;
- (d) the environmental issues with the Timmins Property and the Timiskaming Property have rendered MGMIC's mortgages registered against those properties unrecoverable;
- (e) The Settlement Amount is reasonable when taking into account the risks and costs associated with litigating the Action to completion and prospect of recovery of judgment even if the Receiver is successful in the Action; and
- (f) the Minutes of Settlement provide a cost-effective resolution of the Action and certainty of recovery for MGMIC stakeholders;

CONCLUSION AND RECOMMENDATION

44. 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 22nd day of November, 2022.

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 C

**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**

AFFIDAVIT OF AMANDA WERGER

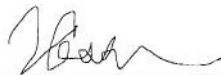
I, Amanda Werger, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a student-at-law at the law firm of Chaitons LLP, lawyers for Grant Thornton Limited in its capacity as Court-Appointed Receiver (“**Receiver**”) for Money Gate Mortgages Investment corporation and as such have knowledge of the matters hereinafter depose, except where I have stated facts to be on information and belief, in which case I have stated the source of the facts provided and believe such to be true.
2. This affidavit is sworn as a supplement to the Receiver’s Sixth Report to the Court dated November 18, 2022 (the “**Sixth Report**”). All terms not otherwise defined in this Affidavit, shall have the meaning assigned to such terms in the Sixth Report.
3. This motion by the Receiver was originally returnable on December 1, 2022. The motion was for approval of the Minutes of Settlement between the Receiver and Wilson in

connection with a guarantee enforcement action commenced by the Receiver against Wilson.

4. The Minutes of Settlement required that they be kept confidential and that the Receiver bring a motion for an order sealing the Minutes of Settlement pending a further order of the Court.
5. On the eve of the December 1, 2022 motion, counsel for the Katebians, former principals of MGMIC, advised that they intend to object, among other things, to the sealing order request. The Receiver's motion was adjourned on consent to January 17, 2023 to allow the Katebians and Wilson to file materials to address the sealing issue. Attached hereto and marked as **Exhibit "A"** is a copy of the Endorsement of Justice Conway dated December 1, 2022.
6. I am advised by Maya Poliak, counsel for the Receiver, that on December 16, 2022, the Receiver and Wilson agreed to amend the Minutes of Settlement to remove the confidentiality provision.
7. Attached hereto and marked as **Exhibit "B"** is a copy of the Minutes of Settlement dated September 22, 2022, as amended by Amendment to Minutes of Settlement dated November 18, 2022. Attached hereto as **Exhibit "C"** is a copy of the Second Amendment to Minutes of Settlement.

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario,
this 3rd day of January, 2023.



Commissioner for Taking Affidavits
(or as may be)

**Veronica Cesario,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires August 29, 2025.**



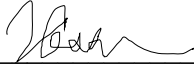
AMANDA WERGER

*This is **Exhibit “B”** referred to in the*

affidavit of Amanda Werger

sworn before me, this 3rd

day of January, 2023.

A handwritten signature in cursive script, appearing to read 'J. Ben', is written over a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS, etc.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**GRANT THORNTON LIMITED in its capacity as Court-appointed
Receiver of MONEY GATE MORTGAGE INVESTMENT
CORPORATION**

Plaintiff

- and -

TROY EDWARD THOMAS WILSON

Defendant

MINUTES OF SETTLEMENT

WHEREAS Grant Thornton Limited was appointed as Receiver (the “**Receiver**”) of Money Gate Mortgage Investment Corporation (“**MGMIC**”);

AND WHEREAS MGMIC has a registered mortgage against title to a property municipally known as 5355 Highway 101 W., Timmins, Ontario (the “**Timmins Property**”) which charge was registered on March 4, 2016, in the Land Registry Office of Cochrane (Ontario), bearing instrument number CB121118, (the “**Timmins Mortgage**”);

AND WHEREAS Canadian Land Corporation (“**CLC**”) is the registered owner of the Timmins Property;

AND WHEREAS MGMIC has a registered mortgage against title to a property municipally known as 1107 Lakeshore Road South, Temiskaming, Ontario (the “**Mansteel Property**”), which

charge was registered on July 13, 2016, bearing instrument number DT55580 (the “**Mansteel Mortgage**”).

AND WHEREAS Mansteel New Liskard Inc. (“**Mansteel**”) is the registered owner of the Mansteel Property;

AND WHEREAS MGMIC took assignment of a mortgage registered against the Mansteel Property on September 13, 2013 and bearing instrument Number DT42169, which assignment was registered on August 24, 2016 and bears instrument number DT56077 (the “**Mansteel Assigned Mortgage**”);

AND WHEREAS the Receiver commenced a legal proceeding against Troy Edward Thomas Wilson (“**Troy**”) before the Ontario Superior Court of Justice in the City of Toronto bearing Court File Number CV- 20-00649997-0000 (the “**Action**”);

AND WHEREAS the Receiver alleges that Troy personally guaranteed the Timmins Mortgage;

AND WHEREAS Troy denies that he personally guaranteed the Timmins Mortgage;

AND WHEREAS the Receiver and Troy (collectively, the “**Parties**”) want to fully and finally resolve the Action and any related or potential claims;

NOW THEREFORE, in consideration of the promises and covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

- 1) Troy shall pay to the Receiver the total sum of One Hundred and Seventy Five Thousand Dollars (\$175,000.00) (the “**Settlement Amount**”) by no later than 5:00 pm on January

31, 2023, which shall be paid to Chaitons LLP in trust or as otherwise directed by the Receiver.

- 2) The Parties shall execute a mutual full and final release in the form attached hereto as **Schedule "A"**, which shall be held in escrow and not utilized until such time as payment is made in accordance with paragraph 1 herein.
- 3) By no later than 5:00 pm on September 22, 2022, Troy shall provide to the Receiver an executed consent to judgment in the full amount of the Receiver's claim as set out in the Statement of Claim, substantially in the form attached hereto as **Schedule "B"**, which shall be held in escrow and not utilized unless payment is not made by Troy in accordance with paragraph 1 hereof. While the consent to judgment is being held in escrow, it will not be distributed, circulated or discussed with any third party at any time.
- 4) The Parties agree that after payment is made by the Defendant in the manner set out in paragraph (1) of these Minutes, the Receiver shall immediately:
 - i. assign the Timmins Mortgage to _____;
 - ii. assign the Mansteel Mortgage to _____;
 - iii. assign the Mansteel Assigned Mortgage to _____;
 - iv. obtain an order of the Ontario Superior Court of Justice on consent of the Parties dismissing the Action on a without cost basis; and
 - v. destroy all copies of the signed consent to judgment referenced in paragraph 3 above.

- 5) These Minutes of Settlement are conditional upon the Ontario Superior Court of Justice (Commercial List) (“**Commercial Court**”) granting an order in MGMIC’s receivership proceeding approving the Minutes of Settlement (the “**Settlement Order**”).
- 6) The Parties agree that the Receiver shall use its best efforts to obtain the Settlement Order from the Commercial Court prior to January 31, 2023. If the Settlement Order is not granted by the Commercial Court, these Minutes of Settlement shall terminate, the Receiver shall return any funds it has received pursuant to these Minutes of Settlement, and the Receiver may continue the Action for the full amount claimed as owing in the Receiver’s Statement of Claim.
- 7) The Minutes of Settlement and the accompanying documents will be kept confidential. The Receiver shall, concurrent with the motion for the Settlement Order (the “**Settlement Approval Motion**”) bring a motion requesting an order of the Commercial Court sealing the Minutes of Settlement (the “**Sealing Order**”), provided however that: (i) these Minutes of Settlement are not conditional on the Commercial Court granting the Sealing Order; and (ii) nothing in this paragraph shall restrict the Receiver’s ability to disclose the Minutes of Settlement or any details thereof to any stakeholder in the MGMIC receivership proceeding, if so ordered by the Commercial Court.
- 8) The Parties acknowledge and agree that these Minutes of Settlement and the accompanying documents shall be governed by the laws of the Province of Ontario.
- 9) These Minutes of Settlement and the accompanying documents shall constitute the entire agreement between the Parties with respect to the settlement of the matters raised or

referred to within the Action and/or the Timmins Mortgage, the Mansteel Mortgage and the Mansteel Assigned Mortgage.

- 10) These Minutes of Settlement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed or electronic PDF format and any signatures received by e-mail or a receiving fax machine shall be deemed and may be treated as original signatures of the parties.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals, or have executed this document by their respective corporate seals and signatures of their respective officers and/or directors duly authorized to do so, _____ day of September, 2022

**GRANT THORNTON LIMITED in its capacity
as the Court-appointed Receiver of MONEY
GATE MORTGAGE INVESTMENT
CORPORATION**

By:

Name:

Title:

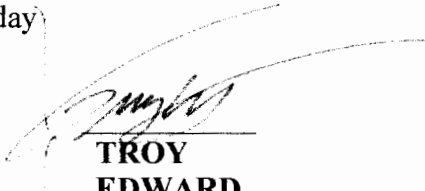
I have authority to bind the corporation.

SIGNED BEFORE ME this 22 day
September, 2022



Witness

Print Name:



**TROY
EDWARD
THOMAS
WILSON**

**SCHEDULE A TO MINUTES OF SETTLEMENT
MUTUAL RELEASE**

FULL AND FINAL MUTUAL RELEASE

IN CONSIDERATION of the mutual covenants set forth in the Minutes of Settlement dated 22 September, 2022 and the payment of the amounts set out in paragraph 1 to the Minutes of Settlement by Troy Edward Thomas Wilson (“**Wilson**”) to Grant Thornton Limited in its capacity as the Court-appointed receiver of Money Gate Mortgage Investment Corporation (the “**Receiver**”), the receipt and sufficiency of which is hereby acknowledged,

The Receiver, Canadian Land Corporation and Mansteel New Liskeard Inc., on behalf of themselves their parents, subsidiaries, affiliates and related companies and each of the respective directors, officers, shareholders, employees, agents and administrators, both present and former, and all of their administrators, successors and assigns and any party who claims a right or interest through them

and

Wilson, on behalf of himself, his heirs, administrators, executors, assigns, successors and on behalf of any party or parties who claim a right or interest through them,

do hereby irrevocably release, remise, quit claim and forever discharge each other of, from and against any and all manner of actions, causes of actions, suits, proceedings, liabilities, debts, sums of money, obligations, accounts, interest, covenants, contracts, claims, damages and demands which each other ever had, now has, can, shall or may hereafter have against each other by reason or by act, cause, matter or thing whatsoever and how so ever arising up to the present time whether known or unknown, in connection with all matters relating to or in connection with an action commenced in the Ontario Superior Court of Justice in the City of Toronto bearing Court File Number CV- 20-00649997-0000 (the “**Action**”) and a charge/mortgage in favour of Money Gate Mortgage Investment Corporation (“**MGMIC**”) registered on March 4, 2016 against title to the real property municipally known as 5355 Highway 101 W., Timmins, Ontario (the “**Timmins**”

Property”) bearing instrument number CB121118 in the Land Registry Office of Cochrane (Ontario) (the “**Timmins Mortgage**”) and a charge/mortgage registered on September 13, 2013 on 1107 Lakeshore Road South, Temiskaming, Ontario (the “**Mansteel Property**”) bearing instrument number DT41512 and assigned to MGMIC on August 24, 2016 and bearing instrument number DT56077 (the “**Assigned Mansteel Mortgage**”) and a charge/mortgage registered on July 13, 2016 on the Mansteel Property and bearing instrument number DT55580 (the “**Mansteel Mortgage**”).

AND FOR THE SAID CONSIDERATION the parties represent and warrant unto each other that they have not assigned to any person or corporation, or any other entity, any of the above actions, causes of action, suits, liabilities, debts, obligations, duties, dues, accounts, bonds, covenants, contracts, claims, damages and demands whatsoever, of any kind or nature, released above and with respect to which each agrees not to make any claims or take any proceedings.

AND FOR THE SAID CONSIDERATION the parties hereby acknowledge, declare and agree that each understands the terms of this Release and each voluntarily accepts the consideration referred to above for the purpose of making full and final compromise, adjustment and settlement of all claims as aforesaid, and each represents and warrants that no party has been induced to enter into this mutual release by reason of any representation or warranty of any nature of kind whatsoever and that there is no condition, express or implied, or collateral agreement affecting the said settlement.

AND IT IS FURTHER AGREED AND UNDERSTOOD that for the consideration aforesaid, the Parties undertake and agree not to take any steps or initiate any proceedings against any person, partnership, corporation or other entity which might be entitled to claim contribution, indemnity or other relief under the provisions of any statute or otherwise with respect to any of the matters concerning which the parties agree herein not to make any claim or take any proceedings.

AND IT IS UNDERSTOOD AND AGREED that the said consideration is deemed to be no admission whatsoever of liability on the part of the person, persons, corporation or corporations discharged by this Release and that such liability is denied.

AND IT IS FURTHER AGREED AND UNDERSTOOD that for the consideration aforesaid, the parties undertake and agree not to take any steps or initiate any proceedings, commence any actions or make any claim against any person, partnership, corporation or other entity which may seek, in any manner or forum, contribution or indemnity in common law or in equity, or under the provisions of any statute or regulation, including the *Negligence Act* and the amendments thereto and/or under any successor legislation thereto, and/or under the *Rules of Civil Procedure*, or may make any claim discharged by this Release. **IT IS AGREED AND UNDERSTOOD** that if a party commences such an action, or take such proceedings, and any of the other parties to this Release is added to such proceeding in any manner whatsoever, whether justified in law or not, the party commencing such action will immediately discontinue the proceedings and/or claims, and will be jointly and severally liable to the party(ies) named in the action for the legal costs incurred in any such proceeding, on a substantial indemnity basis. The party commencing such action further agrees to indemnify the party(ies) named in the action and hold them harmless in respect of any amounts claimed in any such proceeding, action, claim or other demand.

AND IT IS UNDERSTOOD AND AGREED that in the event that any party should hereafter make any claims or demands or commence or threaten to commence any actions against the parties for or by reason of any cause, matter or thing, this document may be raised as an estoppel to any claim, demand or action commenced in regard to the aforesaid.

THIS MUTUAL RELEASE shall enure to the benefit of the parties and their respective successors, executors, administrators, assigns, officers, agents, directors, employees, associates, servants and insurers, and shall be binding upon the undersigned and their respective successors,

executors, administrators, assigns, officers, agents, directors, employees, associates, servants and insurers.

THIS RELEASE may be executed in any number of counterparts, and all such counterparts shall, for all purposes, constitute one agreement binding on the parties hereto, provided each party hereto has executed at least one counterpart, and each shall be deemed to be an original, notwithstanding that all parties are not signatory to the same counterpart.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals or have executed this document by their respective corporate seals and signatures of their respective officers and/or directors duly authorized to do so on the dates indicated below.

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**GRANT THORNTON LIMITED in its capacity
as the Court-appointed Receiver of MONEY
GATE MORTGAGE INVESTMENT
CORPORATION**

By: _____

Name: _____

Title: _____

I have authority to bind the corporation.

CANADIAN LAND CORPORATION

By: _____

Name: _____

Title: _____

I have authority to bind the corporation

MANSTEEL NEW LISKEARD INC.

By: _____

Name: *Mr. Messing*

Title: *Director*

I have authority to bind the corporation

SIGNED BEFORE ME this ____ day June ,2021

**TROY EDWARD THOMAS
WILSON**

Witness

Print Name:

**GRANT THORNTON LIMITED in its capacity
as the Court-appointed Receiver of MONEY
GATE MORTGAGE INVESTMENT
CORPORATION**

By: _____

Name: _____

Title: _____

I have authority to bind the corporation.

CANADIAN LAND CORPORATION

By: _____

Name: Troy Wilson

Title: director

I have authority to bind the corporation

MANSTEEL NEW LISKEARD INC.

By: _____

Name: _____

Title: _____

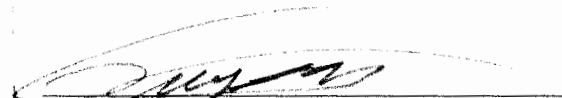
I have authority to bind the corporation

SIGNED BEFORE ME this 22 day Sept 2022 T.W.
June 2021



Witness

Print Name: _____


**TROY EDWARD THOMAS
WILSON**

**SCHEDULE A TO MINUTES OF SETTLEMENT
CONSENT TO JUDGMENT**

Court File No. CV- 20-00649997-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**GRANT THORNTON LIMITED in its capacity as Court-appointed
Receiver of MONEY GATE MORTGAGE INVESTMENT
CORPORATION**

Plaintiff

- and -

TROY EDWARD THOMAS WILSON

Defendant

CONSENT

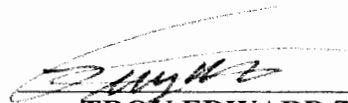
The Plaintiff, Grant Thornton Limited in its capacity as Court-appointed Receiver of Money Gate Mortgage Investment Corporation, and the Defendant, Troy Edward Thomas Wilson, hereby consent to an order granting judgment in favour of the Plaintiff substantially in the form attached hereto as Schedule "A", and certify that the order being consented to does not affect the rights of any person under disability.

SIGNED BEFORE ME this 22 day September, 2022



Witness

Print Name:



**TROY EDWARD THOMAS
WILSON**

**GRANT THORNTON LIMITED in its capacity
as the Court-appointed Receiver of MONEY
GATE MORTGAGE INVESTMENT
CORPORATION**

By:

Name:

Title:

I have authority to bind the corporation.

SCHEDULE "A"

Court File No. CV- 20-00649997-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**GRANT THORNTON LIMITED in its capacity as Court-appointed
Receiver of MONEY GATE MORTGAGE INVESTMENT
CORPORATION**

Plaintiff

- and -

TROY EDWARD THOMAS WILSON

Defendant

JUDGMENT

THIS MOTION, made by the Plaintiff for judgment against the Defendant, Troy Edward Thomas Wilson, was read this day at the Court House at 593 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Consent of the Plaintiff and the Defendant, 2656449 Ontario Inc., filed,

1. **THIS COURT ORDERS AND ADJUDGES** that the Defendant, Troy Edward Thomas Wilson pay to the Plaintiff the sum of \$3,653,412, together with interest on the sum of \$3,653,412 at the rate of 12.5% per annum from September 11, 2020.
2. **THIS COURT ORDERS** that the Defendant, Troy Edward Thomas Wilson, shall pay the Plaintiff, the further sum of \$33,000 for the costs of this action.

This Judgment bears interest on costs at the rate of 12.5% per annum from January 31, 2023.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**GRANT THORNTON LIMITED in its capacity as Court-appointed
Receiver of MONEY GATE MORTGAGE INVESTMENT
CORPORATION**

Plaintiff

- and -

TROY EDWARD THOMAS WILSON

Defendant

AMENDMENT TO MINUTES OF SETTLEMENT

WHEREAS:

- A. the parties hereto entered into Minutes of Settlement dated September 22, 2022 (the “**Minutes of Settlement**”); and
- B. the parties hereto wish to enter into this Amendment to the Minutes of Settlement to amend the Minutes of Settlement (the “**Amendment**”).

NOW THEREFORE in consideration of the mutual covenants contained in the Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1. Unless otherwise defined herein or the context otherwise requires, terms used herein that are defined in the Minutes of Settlement shall have the meaning given to them in the Minutes of Settlement.
- 2. The Minutes of Settlement are hereby amended by:
 - (a) Replacing Section 4 to the Minutes of Settlement with the following:

The Parties agree that after payment is made by the Defendant in the manner set out in paragraph (1) of these Minutes:

- i. the Receiver shall assign the Timmins Mortgage, the Mansteel Mortgage and the Mansteel Assigned Mortgage to Troy or as otherwise directed by Troy; and*
- ii. the Receiver shall obtain an order of the Ontario Superior Court of Justice on consent of the Parties dismissing the Action on a without cost basis; and*

(b) adding the following as Section 4.1 to the Minutes of Settlement:

*“Troy agrees that after payment is made by him in the manner set out in paragraph (1) of these Minutes and the Receiver obtains an order of the Ontario Superior Court of Justice on consent of the Parties dismissing the Action on a without cost basis, Troy shall immediately obtain an order of the Ontario Superior Court of Justice on consent of Morteza Katebian and Payam Katebian (collectively, the “**Katebians**”) dismissing the third party claim commenced by Troy in the Ontario Superior Court of Justice under court file number CV- 20-00649997-0000A1 on a without cost basis.*

3. The Amendment is supplemental to and shall be read with and be deemed to be part of the Minutes of Settlement, which shall be deemed to be amended as herein provided. Any reference to the Minutes of Settlement in any agreements or documents entered into in connection with the Minutes of Settlement shall mean the Minutes of Settlement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Amendment.
4. All the terms and conditions of the Minutes of Settlement, except insofar as the same are amended by the express provisions of this Amendment, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Amendment and shall hereafter continue in full force and effect, as amended.
5. This Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
6. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties.
7. This Amendment shall be construed in accordance with the laws governing the Minutes of Settlement.
8. Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

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IN WITNESS WHEREOF the parties hereto have executed this Amendment as of November 18, 2022.

**GRANT THORNTON LIMITED in its capacity
as the Court-appointed Receiver of MONEY
GATE MORTGAGE INVESTMENT
CORPORATION**

By: 

Name: Jonathan Krieger

Title: Senior Vice President

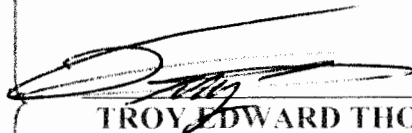
I have authority to bind the corporation.

SIGNED BEFORE ME this 18 day November,
2022



Witness

Print Name: **James Zibarras**



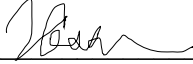
**TROY EDWARD THOMAS
WILSON**

*This is **Exhibit “C”** referred to in the*

affidavit of Amanda Werger

sworn before me, this 3rd

day of January, 2023.

A handwritten signature in black ink, appearing to be 'J. B.', is written above a horizontal line.

A COMMISSIONER FOR TAKING AFFIDAVITS, etc.

ONTARIO
SUPERIOR COURT OF JUSTICE

GRANT THORNTON LIMITED in its capacity as Court-appointed
Receiver of MONEY GATE MORTGAGE INVESTMENT
CORPORATION

Plaintiff

- and -

TROY EDWARD THOMAS WILSON

Defendant

SECOND AMENDMENT TO MINUTES OF SETTLEMENT

WHEREAS:

- A. the parties hereto entered into Minutes of Settlement dated September 22, 2022 (the “**Minutes of Settlement**”);
- B. the Minutes of Settlement were amended pursuant to Amendment to Minutes of Settlement dated November 18, 2022 (the “**First Amendment**”); and
- C. the parties hereto wish to enter into this Second Amendment to the Minutes of Settlement dated December 16, 2022 to amend the Minutes of Settlement (the “**Second Amendment**”).

NOW THEREFORE in consideration of the mutual covenants contained in the Minutes of Settlement, the First Amendment and the Second Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1. Unless otherwise defined herein or the context otherwise requires, terms used herein that are defined in the Minutes of Settlement shall have the meaning given to them in the Minutes of Settlement.
- 2. The Parties hereby acknowledge and agree that Section 7 of the Minutes of Settlement, which required the Receiver to keep the Minutes of Settlement confidential and bring the Settlement Approval Motion, is hereby deleted in its entirety.
- 3. The Second Amendment is supplemental to and shall be read with and be deemed to be part of the Minutes of Settlement, which shall be deemed to be amended as herein provided. Any reference to the Minutes of Settlement in any agreements or documents entered into in connection with the Minutes of Settlement shall mean the Minutes of Settlement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Second Amendment.

4. All the terms and conditions of the Minutes of Settlement, except insofar as the same are amended by the express provisions of the First Amendment and this Second Amendment, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Second Amendment and shall hereafter continue in full force and effect, as amended.
5. This Second Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
6. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties.
7. This Amendment shall be construed in accordance with the laws governing the Minutes of Settlement.
8. Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

IN WITNESS WHEREOF the parties hereto have executed this Amendment as of December 22, 2022.

**GRANT THORNTON LIMITED in its capacity
as the Court-appointed Receiver of MONEY
GATE MORTGAGE INVESTMENT
CORPORATION**

By:



Name: Jonathan Krieger

Title: Senior Vice President

I have authority to bind the corporation.

SIGNED BEFORE ME this ____ day December, 2022

Print Name: Witness

**TROY EDWARD THOMAS
WILSON**

**ONTARIO
SUPERIOR COURT OF JUSTICE**

**GRANT THORNTON LIMITED in its capacity as Court-appointed
Receiver of MONEY GATE MORTGAGE INVESTMENT
CORPORATION**

Plaintiff

- and -

TROY EDWARD THOMAS WILSON

Defendant

SECOND AMENDMENT TO MINUTES OF SETTLEMENT

WHEREAS:

- A. the parties hereto entered into Minutes of Settlement dated September 22, 2022 (the "**Minutes of Settlement**");
- B. the Minutes of Settlement were amended pursuant to Amendment to Minutes of Settlement dated November 18, 2022 (the "**First Amendment**"); and
- C. the parties hereto wish to enter into this Second Amendment to the Minutes of Settlement dated December 16, 2022 to amend the Minutes of Settlement (the "**Second Amendment**").

NOW THEREFORE in consideration of the mutual covenants contained in the Minutes of Settlement, the First Amendment and the Second Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1. Unless otherwise defined herein or the context otherwise requires, terms used herein that are defined in the Minutes of Settlement shall have the meaning given to them in the Minutes of Settlement.
- 2. The Parties hereby acknowledge and agree that Section 7 of the Minutes of Settlement, which required the Receiver to keep the Minutes of Settlement confidential and bring the Settlement Approval Motion, is hereby deleted in its entirety.
- 3. The Second Amendment is supplemental to and shall be read with and be deemed to be part of the Minutes of Settlement, which shall be deemed to be amended as herein provided. Any reference to the Minutes of Settlement in any agreements or documents entered into in connection with the Minutes of Settlement shall mean the Minutes of Settlement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Second Amendment.

4. All the terms and conditions of the Minutes of Settlement, except insofar as the same are amended by the express provisions of the First Amendment and this Second Amendment, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Second Amendment and shall hereafter continue in full force and effect, as amended.
5. This Second Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
6. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties.
7. This Amendment shall be construed in accordance with the laws governing the Minutes of Settlement.
8. Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

IN WITNESS WHEREOF the parties hereto have executed this Amendment as of December , 2022.

**GRANT THORNTON LIMITED in its capacity
as the Court-appointed Receiver of MONEY
GATE MORTGAGE INVESTMENT
CORPORATION**

By:

Name:

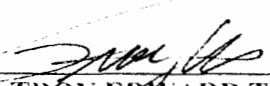
Title:

I have authority to bind the corporation.

SIGNED BEFORE ME this 22 day December,
2022



Witness
Print Name: Lisa Johns



TROY EDWARD THOMAS
WILSON

APPENDIX D

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

THE HONOURABLE MR.

)

WEDNESDAY, THE 25TH

JUSTICE HAINEY

)

DAY OF NOVEMBER, 2020

)

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 by Grant Thornton Limited (“**GTL**”) in its capacity as Court-appointed receiver (“**Receiver**”) of Money Gate Mortgage Investment Corporation (“**MGMIC**”), for an order, *inter alia*:

1. approving the Receiver’s Fifth Report dated October 29, 2020 (“**Fifth Report**”) and the conduct and activities of the Receiver as described therein;
2. authorizing the Receiver to make distributions to MGMIC’s creditors and holders of MGMIC’s preferred shares (the “**MGMIC Investors**”);

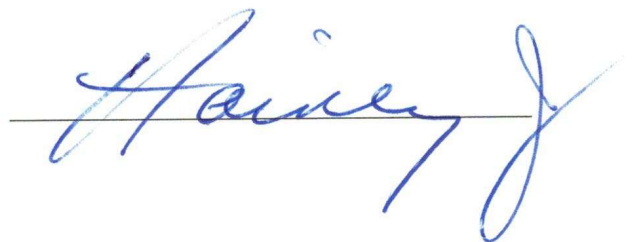
3. approving the Receiver's interim statement of receipts and disbursements dated October 28, 2020 and attached as Appendix 13 to the Fifth Report (the "**Interim R&D**");
4. approving the fees and disbursements of the Receiver and its legal counsel as described in the Fifth Report, the Affidavit of Jonathan Krieger sworn October 29, 2020 and the Affidavit of Sam Rappos sworn October 29, 2020 (collectively, the "**Fee Affidavits**");
5. authorizing the Receiver to pay to GTL, in its capacity as the Court-appointed Receiver over the property municipally known as 293 Euclid Avenue, Toronto, Ontario (the "**Euclid Receiver**") the amount of \$34,445.39 for additional costs incurred by the Euclid Receiver in *Grant Thornton Limited v. 2450531 Ontario Ltd.* (Court File No. CV-19-00628085); and
6. approving the Euclid Receiver's Revised Final Statement of Receipts and Disbursements attached as Appendix 14 to the Fifth Report (the "**Euclid R&D**"),

was heard this day by judicial teleconference via Zoom, Toronto, Ontario due to the Covid 19 crisis.

ON READING the Fifth Report and the Appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as listed on the Counsel Slip,

1. **THIS COURT ORDERS** that this Order is effective from today's date and it is not required to be entered.
2. **THIS COURT ORDERS** that the Fifth Report and the conduct and activities of the Receiver as described therein be and hereby are approved.

3. **THIS COURT ORDERS** that the Interim R&D be and hereby is approved.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel as set out in the Fifth Report and the Fee Affidavits be and hereby are approved.
5. **THIS COURT ORDERS** that the Receiver is authorized to distribute funds in its trust account as follows:
 - (a) \$1,412.50 to A. T. Services Accounting & Taxation;
 - (b) \$14, 634.14 to Canada Revenue Agency;
 - (c) \$50,237.54 to Crowe Soberman LLP; and
 - (d) \$857,000 to the MGMIC Investors holding Proven Claims (as defined in the Claims Procedure Order issued in this proceeding dated June 16, 2020) on *pro rata* basis.
6. **THIS COURT ORDERS** that the Receiver is authorized to make further distributions of funds in its trust account to the MGMIC Investors holding Proven Claims without a further order of the Court.
7. **THIS COURT ORDERS** that the Receiver is authorized to distribute to the Euclid Receiver the amount of \$34,445.39.
8. **THIS COURT ORDERS** that the Euclid R&D be and hereby is approved.



ONTARIO SECURITIES COMMISSION
Applicant

-and-
MONEY GATE MORTGAGES
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

ORDER

CHAITONS LLP

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

Maya Poliak (54100A)
Tel : (416) 218-1161
Fax: (416) 218-1844

Lawyers for Receiver, Grant Thornton Limited

APPENDIX E

IN THE MATTER OF THE RECEIVERSHIP OF
MONEYGATE INVESTMENT CORPORATION
AND IN THE MATTER OF A MOTION PURSUANT TO SECTION 101
OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED

RECEIVER'S FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS
NOVEMBER 6, 2018 TO March 16, 2023

	Palace Pier Property	Birchmount Property	Dovercourt Property	Euclid Property Note 1	Timiskaming Property	Timmins Property	Steeles Property	Total
RECEIPTS								
Cash in Bank	-	-	-	-	-	-	-	164,159
Mortgage Interest	14,950	-	-	14,125	-	-	-	29,075
Sale/Settlement of Assets/Real Property	1,266,704	467,500	556,079	246,644	87,510	87,510	270,000	2,981,947
Interest Allocation	-	-	-	-	-	-	-	17,093
Misc. Refunds	-	5,004	-	-	-	-	-	5,004
	<u>1,281,654</u>	<u>472,504</u>	<u>556,079</u>	<u>260,769</u>	<u>87,510</u>	<u>87,510</u>	<u>270,000</u>	<u>3,197,278</u>
<i>Percentage of Revenue</i>								
DISBURSEMENTS								
Outside Consulting - Appraisal	-	-	-	-	4,700	4,700	-	9,400
HST and GST Paid	-	-	-	-	1,106	1,106	-	2,248
Advertising	-	-	-	-	-	2,212	-	715
Bank Charges	-	-	-	-	-	-	-	652
Computer Services	-	-	-	-	-	-	-	275
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,806</u>	<u>8,018</u>	<u>-</u>	<u>13,290</u>
PROFESSIONAL FEES								
Receiver Fees	-	-	-	-	-	-	-	382,242
HST on the above	-	-	-	-	-	-	-	49,691
Counsel to the Receiver/Monitor	-	-	-	-	-	-	-	505,634
HST on the above	-	-	-	-	-	-	-	64,314
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,001,881</u>
Distributions								
Payment of Creditor Claims								66,284
First Distribution (incl Ben Katebian Holdback)								857,000
								<u>923,284</u>
RECEIPTS LESS DISBURSEMENTS	<u>1,281,654</u>	<u>472,504</u>	<u>556,079</u>	<u>260,769</u>	<u>81,704</u>	<u>79,492</u>	<u>270,000</u>	<u>1,258,822.76</u>
Holdback for Professional fees								(50,000.00)
HST (13%) on professional fees								<u>(6,500.00)</u>
Net Final Distribution								<u>1,202,322.76</u>

Note 1

The Euclid Property's Receipts and Disbursement have been docketed separately, by GTL in its capacity as Euclid Receiver. Details on the Receipts and Disbursement can be found in the Euclid Receiver's First Report to Court, on www.GrantThornton.ca/Euclid.

APPENDIX F

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE

JUSTICE HAINEY

)
)
)

TUESDAY, THE 16TH

DAY OF JUNE, 2020

ONTARIO SECURITIES COMMISSION

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

CLAIMS PROCEDURE ORDER

THIS MOTION made by Grant Thornton Limited in its capacity as receiver and manager (in such capacities, the “**Receiver**”) without security, of all the assets, undertakings and properties of Money Gate Mortgage Investment Corporation (“**MGMIC**”), for an order(s):

- 1) authorizing the Receiver to conduct a procedure to identify and value creditors’ and investors’ claims against MGMIC (the “**Claims Procedure**”) pursuant to the terms of this Order;
- 2) approving the Receiver’s Third Report dated October 18, 2019, the Supplement to the Third Report dated January 23, 2020, the Receiver’s Fourth Report to the Court dated April 30, 2020 (the “**Fourth Report**”) and the conduct and activities of the Receiver as described therein;
- 3) approving the Atlas Settlement (as defined in the Fourth Report);
- 4) approving the Receiver’s interim statement of receipts and disbursements;
- 5) approving the fees and disbursements of the Receiver and its legal counsel; and

- 6) sealing Confidential Appendices 1 to 3 to the Fourth Report until a further order of the Court,

was heard this day by judicial video conference via Zoom.

ON READING the Fourth Report of the Receiver dated April 30, 2020 and the appendices thereto, and on hearing the submissions of counsel for the Receiver and such other parties as listed on the Schedule to the Endorsement of the Court,

DEFINITIONS AND INTERPRETATION

1. **THIS COURT ORDERS** that for the purposes of this Order the following terms shall have the following meanings:

- a. **“Appeal”** means the appeal of a Notice of Revision or Disallowance issued by the Receiver;
- b. **“Appointment Date”** means November 6, 2018;
- c. **“Acknowledgement of Claim”** means a document setting out the information with respect to an Investor Claim substantially in the form attached as **Schedule “E”** hereto;
- d. **“Business Day”** means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- e. **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- f. **“Claim”** means:
 - i. Creditor Claim; and
 - ii. Investor Claim.
- g. **“Claimant”** means a Person asserting a Claim against MGMIC;

- h. **"Claims Bar Date"** means 5:00 p.m. on August 15, 2020;
- i. **"Claims Procedure"** means the procedures described in this Order for identification and quantification of Claims against MGMIC;
- j. **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- k. **"Creditor"** means a person holding a Creditor Claim;
- l. **"Creditor Claim"** means any right or claim, other than an Investor Claim, of any Person against MGMIC in connection with any indebtedness, liability or obligation of any kind of MGMIC, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future that could be asserted by way of set-off, counterclaim or otherwise, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the date of the Receivership Order;
- m. **"Creditor Claims Package"** means the document package which shall be disseminated by the Receiver to any potential Creditor in accordance with the terms of this Order and shall consist of a copy of this Order (without schedules), the Instruction Letter for Creditors, a form of the Creditors' Proof of Claim and such other materials as the Receiver may consider appropriate;
- n. **"Creditor Proof of Claim"** means the form of Proof of Claim to be completed and filed by a Creditor setting forth its purported Creditor Claim, substantially in the form attached as **Schedule "F"** hereto;
- o. **"Disputed Claim"** means the claim of a Disputing Claimant;
- p. **"Disputing Claimant"** means any Claimant that appeals the Notice of Revision or Disallowance in accordance with paragraph 16 of this Order;

- q. **"Excluded Claim"** means any claim secured by the Receiver's Charge or the Receiver's Borrowing Charge (both as defined in the Receivership Order);
- r. **"Instruction Letter for Creditors"** means the letter containing instructions for completing the Proof of Claim, substantially in the form attached as **Schedule "C"** hereto;
- s. **"Instruction Letter for Investors"** means the letter containing instructions for confirming and/or disputing the Acknowledgement of Claim, substantially in the form attached as **Schedule "D"** hereto;
- t. **"Investor"** means a Person holding an Investor Claim;
- u. **"Investor Claim"** means the claim of any Person derived from their ownership of preferred shares in MGMIC;
- v. **"Investor Claim Package"** means the document package which shall be disseminated by the Receiver to any potential Investor in accordance with the terms of this Order and shall consist of a copy of this Order (without schedules), the Instruction Letter for Investors, an Acknowledgement of Claim and such other materials as the Receiver may consider appropriate;
- w. **"Known Creditor"** means:
 - i. those Claimants which the books and records of MGMIC disclose were owed monies by MGMIC as of the date of this Order and which monies remain unpaid in whole or in part;
 - ii. any Person holding a Creditor Claim actually known to the Receiver as of the date of this Order;
- x. **"Known Investor"** means those Claimants which the books and records of MGMIC disclose hold an Investor Claim against MGMIC;

- y. **“Notice of Revision or Disallowance”** means a notice informing a Claimant that the Receiver has revised or disallowed all or any part of the Creditor’s Claim or the Request for Amendment which notice shall be substantially in the form attached hereto as **Schedule “G”** and shall set out the reasons for such revision and/or disallowance;
- z. **“Notice to Claimants”** means the notice publicizing the Claims Procedure to be published in accordance with this Order, substantially in the form of the notice attached as **Schedule “A”** hereto;
- aa. **“Notice to Claimants – Newspaper”** means the notice published in the Globe and Mail or National Post in accordance with the terms of this Order, substantially in the form of the notice attached as **Schedule “B”** hereto;
- bb. **“Person”** means any individual, general or limited partnership, firm, association, joint venture, trust, entity, corporation, limited or unlimited liability company, unincorporated organization, governmental authority or agency, employee, or any other juridical entity howsoever designated or constituted;
- cc. **“Proof of Claim”** means the form of Proof of Claim to be completed and filed by a Person holding a Creditor Claim setting forth its purported Creditor Claim, substantially in the form attached as **Schedule “F”** hereto;
- dd. **“Proven Claim”** means the amount and classification of any Claim as finally determined in accordance with this Claims Procedure;
- ee. **“Receiver”** means Grant Thornton Limited in its capacity as court appointed receiver and manager of MGMIC;
- ff. **“Receivership Order”** means the Order of the Honourable Mr. Justice Hainey of the Court dated November 8, 2018, as amended;
- gg. **“Receivership Proceeding”** means the receivership proceeding commenced by the Receivership Order;

hh. **"Receiver's Website"** means <http://www.grantthornton.ca/MoneyGate>; and

ii. **"Request for Amendment"** means a request by an Investor for the amendment of the Acknowledgement of Claim, substantially in the form set out in the Acknowledgement of Claim provided by the Receiver.

NOTICE TO CLAIMANTS

2. **THIS COURT ORDERS** that the Receiver shall, no later than five (5) Business Days following the making of this Order, or as soon as possible thereafter:

- i. post a copy of this Order (together with all Schedules) on the Receiver's Website;
- ii. send to each of the Known Creditors (in each case, for which it has an address) a copy of the Creditor Claims Package;
- iii. send to each of the Known Investors (in each case, for which it has an address) a copy of the Investor Claims Package; and
- iv. cause to be published the Notice to Claimants - Newspaper for one day in the Globe and Mail or National Post.

3. **THIS COURT ORDERS** that the Receiver shall, provided such request is received prior to the Claims Bar Date, deliver, as soon as reasonably possible following receipt of such request, a copy of the Investor Claims Package and/or Creditor Claims Package, as applicable, to any Person claiming to be an Investor and/or Creditor and requesting such material.

INVESTOR CLAIMS

4. **THIS COURT ORDERS** that investor information contained in the Acknowledgement of Claim with respect to such Investor Claim shall be deemed confirmed in all respects by the Investor unless the Investor completes and files with the Receiver a Request for Amendment, together with supporting documentation by the Claims Bar Date, in which

case (a) the Receiver shall review and consider the Request for Amendment; and (b) the Receiver may accept the amendments requested, or revise or disallow them by way of Notice of Revision or Disallowance.

5. **THIS COURT ORDERS** that any Investor filing a Request for Amendment shall provide all particulars and supporting documentation in respect of such Request for Amendment that the Investor intends to rely on.

CREDITOR CLAIMS

6. **THIS COURT ORDERS** that all Creditors shall file with the Receiver a Proof of Claim by the Claims Bar Date. For greater clarity, any Investor wishing to also assert a Creditor Claim, shall file a Proof of Claim with respect to such Creditor Claim by the Claims Bar Date.

7. **THIS COURT ORDERS** that any Creditor filing a Proof of Claim shall provide all particulars of the Claim and all supporting documentation in respect of such Claim that the Creditor intends to rely on in support of the Claim. NTD: add same language for investor claim

CLAIMS BAR DATE

8. **THIS COURT ORDERS** that all Requests for Amendment and Proofs of Claim must be filed with the Receiver by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email so as to be received by the Receiver by the Claims Bar Date.

9. **THIS COURT ORDERS** that unless a Request for Amendment is received by the Receiver by the Claims Bar Date:

- a. the Acknowledgement of Claim and the information contained therein shall be final and binding on the Investor, and may be relied upon by the Receiver in valuing the Investor Claim for all purposes; and
- b. the Investor shall be barred from making any Claim inconsistent with the information contained in the Acknowledgement of Claim.

10. **THIS COURT ORDERS** that any Creditor that does not file a Proof of Claim by the Claims Bar Date:

- a. shall be and is hereby forever barred, estopped and enjoined from asserting or enforcing any Claim against MGMIC;
- b. shall not be entitled to receive any distribution from MGMIC and the Receiver; and
- c. shall not be entitled to any further notice in connection with the Claims Procedure.

DETERMINATION OF CLAIMS

11. **THIS COURT ORDERS** that the Receiver shall review all Requests for Amendment filed on or before the Claims Bar Date and may accept, revise or disallow (in whole or in part) the investor information set out in any Request for Amendment. If the Receiver determines to revise or disallow a Request for Amendment, the Receiver shall send a Notice of Revision or Disallowance to the Investor(s).

12. **THIS COURT ORDERS** that the Receiver shall review all Proofs of Claim filed on or before the Claims Bar Date and may accept, revise or disallow (in whole or in part) the claim set out in any Proof of Claim. If the Receiver determines to revise or disallow a Creditor Claim the Receiver shall send a Notice of Revision or Disallowance to the Creditor(s).

13. **THIS COURT ORDERS** that at any time, the Receiver may request additional information with respect to the Claim and may request that the Claimant file a revised Request for Amendment or a revised Proof of Claim, as the case may be.

14. **THIS COURT ORDERS** that the Receiver may attempt to consensually resolve the classification and/or the amount of any Claim with the Claimant prior to accepting, revising or disallowing such Claim.

15. **THIS COURT ORDERS** that where an Acknowledgement of Claim or a Proof of Claim has been revised or disallowed (in whole or in part) by a Notice of Revision or Disallowance, the revised or disallowed Claim or a portion of that Claim shall not be a Proven Claim unless the

Claimant has successfully appealed the revision or disallowance and proven the revised or disallowed Claim (or portion thereof) in accordance with paragraphs 16 and 17 of this Order.

APPEAL OF A NOTICE OF REVISION OR DISALLOWANCE

16. **THIS COURT ORDERS** that the Notice of Revision or Disallowance shall be final and conclusive unless, within 30 days from the date of the Notice of Revision or Disallowance, the Disputing Claimant:

- a. serves the Receiver with a notice of appeal setting out the grounds for the appeal; and
- b. schedules a 9:30 Chambers Appointment, for a date mutually agreed to as between the Disputing Claimant and the Receiver, for the purpose of scheduling the Appeal, which appointment shall be heard by no later than 15 days from the date the notice of appeal is served on the Receiver, or on such date as mutually agreed between the Receiver and the Disputing Claimant,

and at such appeal the Disputing Claimant shall be deemed to be the appellant and the Receiver shall be deemed to be the respondent.

17. **THIS COURT ORDERS** that the Appeal from the Notice of Revision of Disallowance shall be a true appeal and not a trial *de novo* and that the Disputing Claimant(s) may not file any additional evidence in support of its Disputed Claim without the consent of the Receiver or leave of the Court.

ADEQUACY OF INFORMATION/CURRENCY

18. **THIS COURT ORDERS** that:

- a. the Receiver may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Requests for Amendment or Proofs of Claim; and
- b. the Claims denominated in a currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian

dollars, such calculation to be effected by the Receiver using the Bank of Canada noon spot rate on the Appointment Date.

NOTICE OF TRANSFEREES

19. **THIS COURT ORDERS** that the Receiver shall not be obligated to give notice to or otherwise deal with a transferee or assignee of a Claim as the Claimant in respect thereof unless:

- a. actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Receiver; and
- b. the Receiver has acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Claimant" in respect of such Claim.

Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to the written acknowledgement by the Receiver of such transfer or assignment.

20. **THIS COURT ORDERS** that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Receiver shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Claimant in respect of such Claim. Provided that a transfer or assignment of the Claim has taken place in accordance with paragraph 19 of this Order and the Receiver has acknowledged in writing such transfer or assignment, the Person last holding such Claim in whole as the Claimant in respect of such Claim may by notice in writing to the Receiver direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and, in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person and in accordance with this Order.

21. **THIS COURT ORDERS** that the Receiver is under no obligation to give notice to any Person other than the Claimant holding the Claim and shall, without limitation, have no obligation to give notice to any Person holding a security interest, lien or charge in, or a pledge or assignment by way of security in, a Claim.

PROTECTION FOR RECEIVER

22. **THIS COURT ORDERS** that in carrying out the terms of this Order:

- a. the Receiver shall have all of the protections given to it by the Receivership Order or at law as an officer of this Court, including the stay of proceedings in its favour;
- b. the Receiver shall incur no liability or obligation as a result of the carrying out of the provisions of this Order;
- c. the Receiver shall be entitled to rely on MGMIC's books and records, and any information provided by MGMIC, all without independent investigation; and
- d. the Receiver shall not be liable for any claims or damages resulting from any errors or omissions in such books or records.

DIRECTIONS

23. **THIS COURT ORDERS** that the Receiver may, at any time, and with such notice as this Court may require, seek directions from this Court with respect to this Order, the Claims Procedure set out herein and the forms attached as Schedules hereto, including with respect to the appointment of a claims officer if the Receiver deems it necessary or appropriate.

SERVICE AND NOTICE

24. **THIS COURT ORDERS** that the Receiver be at liberty to deliver the Creditor Claims Package or the Investor Claims Package, and any letters, notices or other documents to the Claimants or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to such Persons at the physical or electronic address, as applicable, last shown on the books and records of MGMIC or set out in

such Claimant's Proof of Claim or Request for Amendment. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

25. **THIS COURT ORDERS** that any notice or other communication required to be provided or delivered by a Claimant to the Receiver under this Order (including, without limitation, Requests for Amendment, Proofs of Claim and Notices of Dispute) shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery, facsimile or email addressed to:

Grant Thornton Limited in its capacity as the Court-appointed
receiver and manager of MGMIC
19th Floor, Royal Bank Plaza South Tower
200 Bay Street, Box 55
Toronto, Ontario
Canada M5J 2P9

Attention: Jason Kanji
E-mail: moneygate@ca.gt.com
Phone: 1 (855) 883-2477

Any such notice of other communication by a Claimant shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

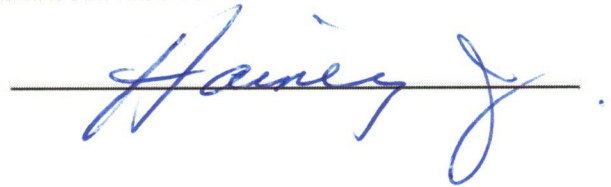
26. **THIS COURT ORDERS** that if, during any period during which notices or other communications are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary or registered mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal

strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Order.

MISCELLANEOUS

27. **THIS COURT ORDERS** that this Order does not and is not intended to provide for the calculation or methodology of determining distributions but solely for providing a procedure for submitting and adjudicating Claims.

28. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States of America, and of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to read "Hainey J".

SCHEDULE “A”

NOTICE TO CLAIMANTS

**IN THE MATTER OF THE RECEIVERSHIP OF MONEY GATE MORTGAGE
INVESTMENT CORPORATION**

RE: NOTICE OF CLAIMS PROCEDURE

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made June 16, 2020 (the “**Claims Procedure Order**”). Subject to certain exceptions (as set out in the Claims Procedure Order), all creditors and/or investors (collectively, the “**Claimants**”) of **MONEYGATE MORTGAGE INVESTMENT CORPORATION (“MGMIC”)** should have received a package by mail from Grant Thornton Limited, Court-appointed Receiver (in such capacity, the “**Receiver**”) MGMIC. Claimants may also obtain the Claims Procedure Order and a claims package from the Receiver’s website at www.granthornton.ca/moneygate or by contacting the Receiver by telephone at 1 (855) 883-2477 or by email at moneygate@ca.gt.com.

Completed Requests for Amendment and/or Proofs of Claim must be received by the Receiver by 5:00 p.m. (Toronto time) on August 15, 2020 (the “Claims Bar Date”). It is your responsibility to complete the appropriate documents and ensure that the Receiver receives your completed documents by the Claims Bar Date failing which your Claim will be forever bared and extinguished.

Those Claimants that receive an Acknowledgement of Claim from the Receiver and that do not disagree with the amount of their claim and other information set out in the Acknowledgment of Claim are not required to take any further steps to prove their Claim. Please consult the Claims Procedure Order which described the procedure for proving your Claims.

DATED at Toronto this ____ day of _____, 2020.

SCHEDULE “B”

NOTICE TO CLAIMANTS - NEWSPAPER

IN THE MATTER OF THE RECEIVERSHIP OF MONEY GATE MORTGAGE INVESTMENT CORPORATION (“MGMIC”)

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) made June 16, 2020 (the “**Claims Procedure Order**”). Pursuant to the Claims Procedure Order, Grant Thornton Limited in its capacity as Receiver (the “**Receiver**”) of MGMIC is conducting a process for the review of claims of MGMIC’s creditors and investors holding preferred shares of MGMIC.

TO THE INVESTORS: You will receive a package in the mail from the Receiver. If you wish to amend any information contained in the package regarding your investment you must complete a Request for Amendment included in your claims package by **5:00 pm on August 15, 2020 (the “Claims Bar Date”)**.

TO THE CREDITORS: Any person who believes he/she/it has a creditor claim against MGMIC must submit a Proof of Claim to the Receiver in accordance with the Claims Procedure Order **by the Claims Bar Date**.

Claimants may also access the relevant documents from the Receiver’s website at www.grantthornton.ca/MGMIC or by contacting the Receiver by telephone at 1 (855) 883-2477 or email at MoneyGateMIC@ca.gt.com.

SCHEDULE “C”
INSTRUCTION LETTER FOR CREDITORS
IN THE MATTER OF RECEIVERSHIP OF MONEY GATE MORTGAGE
INVESTMENT CORPORATION

RE: NOTICE TO CREDITORS OF CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) made June 16, 2020 (the “**Claims Procedure Order**”), Grant Thornton Limited, the Court-appointed receiver and manager (in such capacities, the “**Receiver**”) of Money Gate Mortgage Investment Corporation (“**MGMIC**”), has been authorized to conduct a claims procedure (the “**Claims Procedure**”) for the determination of claims against MGMIC.

This Notice and the accompanying Proof of Claim is not intended for any party holding an ownership claim in MGMIC.

This letter provides instructions for Creditors of MGMIC to complete a Proof of Claim. Please note that capitalized terms which are not defined in this Instruction Letter shall have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure is intended for any Person with any Claim of any kind or nature whatsoever, other than an Excluded Claim, whether unliquidated, contingent or otherwise **against MGMIC that arose on or prior to November 8, 2018.** Please review the Claims Procedure Order on the Receiver’s Website (www.grantthornton.ca/moneygate) for the complete definition of Claim and Excluded Claim.

If you have any questions regarding the Claims Procedure, please consult the Receiver’s Website or contact the Receiver at the address provided below.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

Grant Thornton Limited
in its capacity as the Court-appointed Receiver of Money Gate Mortgage Investment Corporation
200 King Street West, 11th Floor
Box 11
Toronto, Ontario
Canada M5H 3T4

Attention: Jason Kanji
E-mail: moneygate@ca.gt.com
Phone: 1 (855) 883-2477

B. FOR CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Creditor Claim against MGMIC, you will have to file a Proof of Claim with the Receiver. If you are an investor that holds preferred shares in MGMIC who received an Acknowledgement of Claim, and believe that you have a Creditor Claim in addition to the Investor Claim(s) set out in the Acknowledgement of Claim, then you must also file a Proof of Claim for that additional Claim. **Your Proof(s) of Claim must be received by 5:00 p.m. (Toronto time) on August 15, 2020 the Claims Bar Date. Pursuant to the Claims Procedure Order, failure to submit a Proof of Claim by the Claims Bar Date will result in such Claim forever being barred and extinguished, released and discharged.**

Additional Proof of Claim forms and other information, including the Claims Procedure Order, can be obtained from the Receiver's Website at www.grantthornton.ca/moneygate, or by contacting the Receiver at the telephone number or email address indicated above and providing particulars as to your name, address and contact information.

It is your responsibility to ensure that the Receiver receives your Proof of Claim by the Claims Bar Date.

SCHEDULE “D”

INSTRUCTION LETTER FOR INVESTORS

IN THE MATTER OF THE RECEIVERSHIP OF MONEY GATE MORTGAGE INVESTMENT CORPORATION

RE: NOTICE TO INVESTORS OF CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) made June 16, 2020 (the “**Claims Procedure Order**”), Grant Thornton Limited, the Court-appointed receiver (in such capacity, the “**Receiver**”) of Money Gate Mortgage Investment Corporation (“**MGMIC**”), has been authorized to conduct a claims procedure (the “**Claims Procedure**”) for the determination of claims against MGMIC.

This letter provides Investors with instructions with respect to an Acknowledgement of Claim and for completing a Request for Amendment, if necessary. Please note that capitalized terms which are not defined in this Instruction Letter shall have the meanings ascribed to them in the Claims Procedure Order.

The Claims Procedure is intended for any Person with any Claim of any kind or nature whatsoever whether unliquidated, contingent or otherwise **against MGMIC that arose on or prior to November 8, 2018.** Please review the Claims Procedure Order on the Receiver’s Website (www.grantthornton.ca/moneygate) for the complete definition of Claim.

If you have any questions regarding the Claims Procedure, please consult the Receiver’s Website or contact the Receiver at the address provided below.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

Grant Thornton Limited
in its capacity as the Court-appointed Receiver of Money Gate Mortgage Investment Corporation
200 King Street West, 11th Floor
Box 11
Toronto, Ontario
Canada M5H 3T4

Attention: Jason Kanji
E-mail: moneygate@ca.gt.com
Phone: 1 (855) 883-2477

B. ACKNOWLEDGEMENT OF CLAIM

The Receiver obtained information from existing books and records of MGMIC with respect to Investor Claims against MGMIC. Pursuant to the terms of the Claims Procedure Order, the

Receiver has or will send to Investors identified by MGMIC's books and records as holders of preferred shares of MGMIC an Acknowledgement of Claim with respect to their Investor Claim.

If you agree with the information described in the Acknowledgement of Claim received by you, you DO NOT have to take any further steps. However, if you disagree with any information as described in the Acknowledgement of Claim, then you must file a Request for Amendment, which must be received by 5:00 p.m. (Toronto time) on August 16, 2020 (the "Claims Bar Date"). **Pursuant to the Claims Procedure Order, failure to submit a Request for Amendment by the Claims Bar Date will result in such Claim being a Proven Claim in the amount set out in the Acknowledgement of Claim.** If you believe that you have an Investor Claim or a Creditor Claim but have not received an Acknowledgement of Claim or a Proof of Claim, you must obtain, complete and submit a Proof of Claim by the Claims Bar Date.

Proof of Claim forms and other information, including the Claims Procedure Order, can be obtained from the Receiver's Website at www.grantthornton.ca/moneygate, or by contacting the Receiver at the telephone number or email address indicated above and providing particulars as to your name, address and contact information.

It is your responsibility to ensure that the Receiver receives your Request for Amendment or your Proof of Claim, as the case may be, by the Claims Bar Date.

SCHEDULE “E”

ACKNOWLEDGEMENT OF CLAIM AGAINST MONEY GATE MORTGAGE INVESTMENT CORPORATION PURSUANT TO THE CLAIMS PROCEDURE ORDER, DATED JUNE 16, 2020

Please read the enclosed Instruction Letter carefully prior to responding to this Acknowledgement of Claim.

TO: [FULL NAME AND ADDRESS OF INVESTOR]

PARTICULARS OF CLAIM:

The books and records of Money Gate Mortgage Investment Corporation (“**MGMIC**”) indicate that you have an Investor Claim against MGMIC as a result of your purchase of preferred shares in MGMIC, the details of which are as follows:

Acknowledgement Number: _____

Full Legal Name of Investor: _____

Full Mailing Address: _____

Dollar Amount of Outstanding Principal Investment: _____

ACTION REQUIRED:

If you agree with all of the information set out above, you do not have to take any further steps. If, however, you disagree with this information in any respect, then you must submit a Request for Amendment by the time and date set out below.

FILING OF REQUEST FOR AMENDMENT

If you disagree with the information set out above in any respect, then you must complete the section below entitled “Request for Amendment” and return a copy of this document, together with supporting documentation, by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission so as to be received by the Receiver by 5:00 p.m. (Toronto time) on August 16, 2020 (the “Claims Bar Date”) at the following address:

Grant Thornton Limited
in its capacity as the Court-appointed receiver of Money Gate Mortgage
Investment Corporation
200 King Street West, 11th floor, Box 11
Toronto, Ontario
Canada M5H 3T4

Attention: Jason Kanji
E-mail: moneygate@ca.gt.com

If you do not submit a Request for Amendment to the Receiver by the Claims Bar Date, (i) this Acknowledgement of Claim and the information herein shall become final and binding on you, and may be relied upon in valuing your Claim for all purposes, and (ii) you shall be barred from making any Claim inconsistent with the information contained in this Acknowledgement of Claim.

It is your responsibility to ensure that the Receiver receives your Request for Amendment by the Claims Bar Date.

REQUEST FOR AMENDMENT:

I, _____
[name of the Investor or Representative of the Investor] of Money Gate Mortgage Investment Corporation do hereby request that the information provided in this Acknowledgement of Claim be amended as follows

[PLEASE INDICATE THE SPECIFIC AMENDMENTS REQUESTED, AND PROVIDE ALL SUPPORTING DOCUMENTATION THAT YOU INTEND TO RELY ON].

SCHEDULE "F"

**PROOF OF CLAIM AGAINST
MONEY GATE MORTGAGE INVESTMENT CORPORATION
PURSUANT TO THE CLAIMS PROCEDURE ORDER DATED JUNE 16, 2020**

PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____
2. Full Mailing Address of the Creditor (the original Creditor and not the Assignee):

3. Telephone number: _____
4. E-mail address: _____
5. Facsimile number: _____
6. Attention (Contact Person): _____
7. Has the Claim been sold or assigned by the Creditor to another party [check (✓) one]?

Yes: _____ No: _____

B. PARTICULARS OF ASSIGNEE(S) (IF ANSWER TO QUESTION 7 IS YES):

8. Full Legal Name of Assignee(s): _____

(If Claim has been assigned, insert full legal name of assignee(s) of Claim (if all or a portion of the Claim has been sold). If there is more than one assignee, please attach a separate sheet with the require information)
9. Full Mailing Address of Assignee(s):

10. Telephone number of Assignee(s): _____

11. E-mail address: _____
12. Facsimile number: _____
13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____
[name of Creditor or Representative of the Creditor],
of _____ do hereby certify that:
[City or Province]

(a) I [check (✓) one]

☐ am the Creditor of Money Gate Mortgage Investment Corporation; OR

☐ am _____ (state position or title) of

_____ (name of creditor);

(b) I have knowledge of all the circumstances connected with the Claim referred to below;

(c) MONEY GATE MORTGAGE INVESTMENT CORPORATION, was and still is indebted to the Creditor as follows:

CLAIM ARISING ON OR PRIOR TO November 8, 2018:

(i) CLAIM IS AGAINST MONEY GATE MORTGAGE INVESTMENT CORPORATION: \$_____CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at November 8, 2018. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$1.3153/US\$1.00).

D. NATURE OF CLAIM:

(check (✓) one and complete appropriate category)

☐ A. UNSECURED CLAIM OF \$_____

That in respect of this debt, I do not hold any security and

☐ B. SECURED CLAIM OF \$_____

That in respect of this debt, I hold security valued at \$_____ particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by Money Gate Mortgage Investment Corporation to the Creditor and estimated value of such security, and particulars of any interim period claim.)

This Proof of Claim must be received by the Receiver by no later than 5:00 p.m. (Toronto time) on August 16, 2020 ("Claims Bar Date"), by prepaid ordinary mail, courier, personal delivery or email at the following address:

Grant Thornton Limited
in its capacity as the Court-appointed receiver of Money Gate Mortgage Investment Corporation
200 King Street West, 11th floor, Box 11
Toronto, Ontario
Canada M5H 3T4

Attention: Jason Kanji
E-mail: moneygate@ca.gt.com

F. FILING OF CLAIM:

Failure to file your Proof of Claim as directed by the Claims Bar Date will result in your Claim being barred and in you being prevented from making or enforcing a Claim against Money Gate Mortgage Investment Corporation. In addition, you shall not be entitled to further notice of, and shall not be entitled to participate as a creditor in these proceedings.

G. ACKNOWLEDGED CLAIM:

If you

information in that Acknowledgement of Claim, then you should file a Request for Amendment.

Dated at _____ this _____ day of _____, 2020.

Signature of Creditor

SCHEDULE "G"

NOTICE OF REVISION OR DISALLOWANCE OF CLAIM REFERENCE NUMBER _____

Please read carefully the Instruction Letter accompanying this Notice.

TO: [insert name of Claimant]

Grant Thornton Limited, in its capacity as receiver and manager (in this capacity, the "**Receiver**") of **Money Gate Mortgage Investment Corporation**, hereby gives you notice that the Receiver has reviewed your Request for Amendment or your Proof of Claim, as the case may be, and has revised or rejected your Claim or any part thereof or any information relating thereto, as follows:

Request for Amendment as Submitted (if applicable)	The Proof of Claim as Submitted (if applicable)	The Claim/Information as Accepted

Reasons for Revision or Disallowance:

[insert explanation]

If you do not agree with this Notice of Revision or Disallowance, please take notice of the following:

1. If you wish to appeal the Notice of Revision or Disallowance you must, within 30 days from the date of the Notice of Revision or Disallowance:
 - i. serve the Receiver with a notice of appeal setting out the grounds for the appeal; and
 - ii. schedule a 9:30 Chambers Appointment, for a date mutually agreed to with the Receiver, for the purpose of scheduling the Appeal, which appointment shall be heard by no later than 15 days from the date the notice of appeal is served on the Receiver, or on such date as mutually agreed with the Receiver
2. IF YOU DO NOT TAKE STEPS TO APPEAL THE NOTICE OF REVISION OR DISALLOWANCE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU AND YOUR CLAIM SHALL BE DEEMED TO BE AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED at Toronto, this ____, day of _____, 2020.

**GRANT THORNTON LIMITED,
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER OF MONEY GATE
MORTGAGE INVESTMENT CORPORATION**

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)**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(CLAIMS PROCEDURE)**

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

Maya Poliak (LSUC No. 54100A)
Tel: (416) 218-1161
Fax: (416) 218-1844
Email: Maya@chaitons.com

Lawyers for the Receiver

APPENDIX G



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue Queen Ouest
Toronto ON M5H 3S8

Citation: Money Gate Mortgage Investment Corporation (Re), 2019 ONSEC 40
Date: 2019-12-17
File No. 2017-79

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

**REASONS AND DECISION
(Subsection 127(1) of the *Securities Act*, RSO 1990, c S.5)**

Hearing: January 7, 9, 10, 11, 14, 15, 16; February 25; March 4, 6, 7, 8; May 10, 14, 15; June 27, 28, 2019

Decision: December 17, 2019

Panel:	Timothy Moseley M. Cecilia Williams Lawrence P. Haber	Vice-Chair and Chair of the Panel Commissioner Commissioner
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Appearances:	Jamie Gibson Dihim Emami	For Staff of the Commission
	James Camp Anisah Hassan	For Money Gate Corp., Morteza Katebian and Payam Katebian
	No one appearing for Money Gate Mortgage Investment Corporation	

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REASONS AND DECISION

I. OVERVIEW

- [1] From August 2014 to December 2017 (the **Material Time**), Morteza (“Ben”) Katebian (**Ben**) and his son Payam Katebian (**Payam**)¹ raised over \$10 million from more than 150 investors, by continuously selling preferred shares in Money Gate Mortgage Investment Corporation (**MGMIC**).
- [2] Staff of the Commission (**Staff**) alleges that through these activities, among other things:
 - a. MGMIC, Ben and Payam, along with Money Gate Corporation (**MGC**), a related mortgage brokerage firm, engaged in the business of trading in MGMIC’s securities, without being registered to do so;
 - b. all four respondents (MGMIC, Ben, Payam and MGC) effected illegal distributions of those securities, since MGMIC did not file a prospectus, and MGMIC was not entitled to any exemption from the prospectus requirements; and
 - c. all four respondents defrauded MGMIC’s investors, by knowingly deploying the raised funds in a manner that was inconsistent with the commitments MGMIC had made to those investors, and by diverting some of those funds instead to Ben, Payam, or entities controlled by or associated with them.
- [3] For the reasons set out below, we find that MGMIC, Ben and Payam were engaged in the business of trading in securities, and that they effected illegal distributions of MGMIC’s securities. We also find that all four respondents improperly put investors’ funds at risk and ultimately caused investor losses by, among other things:
 - a. failing to disclose the considerable influence of two individuals over MGMIC’s business;
 - b. failing to comply with promised procedures regarding the management of conflicts of interest;
 - c. failing to comply with promised lending criteria, and making lending decisions that were imprudent for other reasons; and
 - d. improperly diverting loan advances.

II. BACKGROUND

A. MGC

- [4] MGC was founded by Bita Ghaffari, who is not a respondent in this proceeding and whom Staff called as a witness.
- [5] MGC was federally incorporated in 2007. MGC was licensed as a mortgage brokerage firm in 2008. At that time, Ms. Ghaffari operated the brokerage on her own and acted as its principal broker.

¹ Throughout these reasons, we refer to Messrs. Katebian by their first names, solely for convenience in distinguishing between them. We mean no disrespect in doing so.

- [6] The primary business of MGC was mortgage origination, which included soliciting borrowers and helping them obtain mortgages, usually from a financial institution such as a bank. MGC also brokered mortgages for its own pool of private lenders. Under this model, the private lender remained in control of their own funds and made their own investment and loan decisions with MGC's advice.
- [7] In 2011, Ms. Ghaffari and Ben, who at the time was operating his own mortgage brokerage business, agreed to conduct business together, as co-brokerages. In 2012, they decided to merge the brokerages, operating the combined business under the MGC name. Ben became a director of MGC. Ms. Ghaffari remained the principal broker until she left MGC in 2016.
- [8] MGC has never been registered with the Commission.

B. MGMIC

- [9] MGMIC was incorporated in Ontario in May 2014 with Ben, Payam and Ms. Ghaffari as its directors. Ben was appointed as president, with Payam as secretary, and Ms. Ghaffari as treasurer.
- [10] MGMIC has never been registered with the Commission and is not a reporting issuer.
- [11] Beginning in August 2014, MGMIC acted as a private lender, using a pool of funds generated by sales of its preferred shares. MGMIC issued offering memoranda in which MGMIC committed to invest the funds in a portfolio of residential and commercial mortgage loans to borrowers in market segments that were typically underserved by large financial institutions.
- [12] MGMIC operated out of the same office space as MGC. MGC acted as the broker for every mortgage loan advanced by MGMIC, and it provided related services to MGMIC. MGC also paid most of MGMIC's operating expenses.

C. Ben Katebian

- [13] Ben was present for portions of the merits hearing, but he did not testify.
- [14] Ben became a director of MGC when the brokerages merged in 2012. In 2014, he became MGC's chief executive officer (**CEO**). He was a licensed mortgage broker of MGC. When Ms. Ghaffari left MGC in 2016, Ben became MGC's principal broker.
- [15] When MGMIC was incorporated in 2014, Ben became one of its directors as well as its president and CEO. He was involved in investor relations, he met with potential investors and sources who could refer investors, he produced promotional materials for MGMIC, and he made lending decisions on behalf of MGMIC.
- [16] MGMIC's offering memoranda stated that Ben was a member of MGMIC's Credit Committee and its Investment Committee throughout the Material Time.
- [17] Apart from his involvement with MGC and MGMIC, Ben also owned 2399029 Ontario Inc. (**Ben's Numbered Company**).
- [18] Ben has never been registered with the Commission.

D. Payam Katebian

- [19] Payam is Ben's son. Payam graduated from York University's Business Administration program and Seneca College's Financial Services Underwriting program. He completed additional education in order to become a licensed mortgage agent.
- [20] In the summer of 2012, Payam began working at MGC as Ms. Ghaffari's assistant. At the time, he had no experience in mortgage lending.
- [21] When MGMIC was incorporated in 2014, Payam was appointed as its secretary and as a director. According to MGMIC's offering memoranda, he was also MGMIC's chief operating officer and operations manager for the administration division of MGC.
- [22] By 2015, Payam was no longer acting as Ms. Ghaffari's assistant. By no later than May 2016, Payam was MGMIC's treasurer (according to a government filing) and a member of its Credit Committee and Investment Committee (according to MGMIC's offering memorandum).
- [23] In addition to his roles at MGC and MGMIC, Payam was associated with two numbered companies:
 - a. 2450531 Ontario Ltd. (**245 Ltd.**), of which Payam was the manager and a 50% shareholder; and
 - b. 2546456 Ontario Inc. (**254 Inc.**), of which Payam was a director and the president, treasurer and secretary.
- [24] Payam has never been registered with the Commission.

E. 1PLUS12 and Undisclosed Principals

- [25] Staff alleges that over the Material Time, two individuals became undisclosed principals of MGMIC.
- [26] The first is Arash Missaghi, whose connection to MGMIC originated as a result of Ben's prior business relationship with Mr. Missaghi's father beginning in 1989.
- [27] Mr. Missaghi has been an undischarged bankrupt since April 2000. He is therefore disqualified from being a director of an Ontario corporation.² Notwithstanding that disqualification, Mr. Missaghi was a registered director of many corporations, including many of MGMIC's borrowers.
- [28] Mr. Missaghi had office space in a building, some of which he sublet to MGC and MGMIC.
- [29] The second alleged undisclosed principal is Mohamed Moshin Jiwani, who has used the alias Sai Mohammed since 2001, around the time that he became an undischarged bankrupt.
- [30] Ben and Payam met Mr. Mohammed through an organization known as 1PLUS12. The formal structure of 1PLUS12, if it had one, was not clear, but the evidence establishes that 1PLUS12 brought together individuals who were interested in investing in real estate. The organization's name appears to derive from the fact that it was a collection of investment groups, each of which had twelve investors

² *Business Corporations Act*, RSO 1990, c B.16, s 118(1)4

and one “influencer”. Payam testified that about 75% of MGMIC’s investors came from 1PLUS12.

III. PRELIMINARY MATTERS

[31] Before we begin our analysis of the issues in this proceeding, we address three preliminary matters:

- a. a temporary order issued in April 2017;
- b. the respondents’ participation in the merits hearing; and
- c. a motion brought by Ben, Payam and MGC for an adjournment of the merits hearing, which motion we dismissed with reasons to follow.

A. Temporary orders

[32] On April 27, 2017, the Commission issued a temporary order (the **Temporary Order**), which provided that all trading in securities of MGMIC cease, and that any exemptions contained in Ontario securities law would not apply to any of the four respondents, except that Ben and Payam could rely on exemptions in order to purchase securities in their personal capacities.

[33] The portion of the Temporary Order that denied the use of exemptions expired on July 4, 2017.

[34] The portion of the Temporary Order that cease traded securities of MGMIC was extended several times, with the last extension being on January 11, 2018, until the conclusion of the merits hearing. Staff did not seek a further extension. Therefore, as this decision and these reasons conclude the merits hearing, the Temporary Order expires on its own terms, effective the date of issuance of these reasons (*i.e.*, December 17, 2019).

B. The respondents’ participation in this proceeding

[35] On November 6, 2018, while this proceeding was underway but before the merits hearing began, the Superior Court of Justice issued an order appointing a receiver over MGMIC. As of December 3, 2018, MGMIC withdrew from active participation in this proceeding. It did so having been advised by Staff that Staff did not intend to seek any monetary sanctions against MGMIC.

[36] The three remaining respondents (Ben, Payam and MGC) appeared at the merits hearing with counsel. We refer to them as the **Remaining Respondents**.

C. Motion for adjournment of the merits hearing

1. Overview of the adjournment motion

[37] The merits hearing was scheduled to begin on January 7, 2019. On January 3, 2019, two business days before the hearing, the Remaining Respondents filed a motion seeking an adjournment. They asked that the merits hearing begin on February 25, 2019, seven weeks after its scheduled start, because they had recently retained new counsel.

[38] After hearing submissions from Staff and from the Remaining Respondents, we dismissed the motion. We advised that our reasons for that decision would be included in our reasons at the conclusion of the merits hearing. The following are our reasons.

2. History of the proceeding

- [39] Staff filed its original Statement of Allegations on December 19, 2017. A Notice of Hearing was issued on December 21, 2017, fixing January 11, 2018, as the date for the first attendance. At that hearing, and at second and third attendances on May 9 and July 6, 2018, counsel from the firm of Groia & Company appeared on behalf of all four respondents. At the third attendance, on consent of all parties the Commission ordered that the merits hearing would begin on November 15, 2018, and would conclude on January 11, 2019.
- [40] On September 5, 2018, Mr. Richard of Groia & Company, counsel for the four respondents, wrote to the Registrar to advise that at the time the merits hearing dates were set, he had been unaware that one of the individual respondents would be out of the country in November. The respondents therefore requested that the merits hearing be adjourned to accommodate that absence. With Staff's consent, the Commission granted the requested adjournment. The revised schedule contemplated 23 hearing days, and called for the hearing to begin on December 3, 2018, and to conclude on January 30, 2019.
- [41] The next preliminary attendance took place on October 16, 2018. At that time, Staff advised the Commission that the previous day it had served the respondents with proposed amendments to the Statement of Allegations. The Commission ordered that a motion be heard on October 31, 2018, at which time consideration would be given as to whether the proposed amendments would necessitate an adjournment of the merits hearing.
- [42] At the hearing of the motion on October 31, 2018, the respondents did not object to Staff's proposed amendments to the Statement of Allegations. Staff advised, however, that:
- a. it had obtained a direction under s. 126(1) of the *Securities Act*³ (the **Act**), freezing the bank account held by MGMIC, and that Staff would apply to the Superior Court of Justice for a continuation of that freeze direction;
 - b. it had brought an application in the Superior Court of Justice for the appointment of a receiver over the respondent MGMIC; and
 - c. Staff had not yet provided full disclosure to the respondents, since Staff was still awaiting the production from a third party of banking documents that might be relevant to the new allegations, and Staff was uncertain as to when those documents would be produced.
- [43] Counsel for the respondents advised that he had been planning to ask for an adjournment of the hearing on the merits from December 3, 2018, to January 7, 2019, as a result of Staff's amendments to the Statement of Allegations. As he correctly observed, though, he would be unlikely to continue as counsel for MGMIC if Staff were to be successful in having a receiver appointed. In his submission, the uncertainty regarding who would be able to speak on behalf of MGMIC, and the freezing of MGMIC's funds, also warranted an adjournment of the hearing.

³ RSO 1990, c S.5

- [44] After hearing submissions, the Commission ordered that the hearing take place over 25 hearing days beginning on January 7, 2019, and concluding on May 10, 2019. The Commission also ordered that an interlocutory attendance be held on December 3, 2018.
- [45] At the interlocutory attendance on December 3, 2018, the parties advised that on November 6, 2018, the Superior Court of Justice had appointed a receiver over MGMIC. The receiver's counsel, who was present at the hearing, advised that in light of Staff's representation that Staff would not be seeking monetary sanctions or costs against MGMIC, the receiver would not further participate in the proceeding. The Remaining Respondents continued to be represented by Mr. Richard of Groia & Company.
- [46] Staff confirmed at that time that it had completed disclosure, and that it was ready to proceed with the hearing on January 7, 2019, as scheduled.
- [47] Staff also advised that on December 2, 2018, the day before the interlocutory attendance, Staff had received an email from Mr. Richard, advising that his firm may be withdrawing as counsel of record. In addressing this issue at the interlocutory attendance, Mr. Richard advised that "we are not retained to do the hearing." Mr. Richard identified several possible scenarios, one of which was that the Remaining Respondents would be self-represented during the hearing but that some counsel, possibly but not necessarily Mr. Richard's firm, would have a limited retainer to assist with part of the hearing.
- [48] Staff acknowledged that it had no direct interest in the question of whether the Remaining Respondents would be represented, and if so, by whom. Staff's primary concern was that the hearing should proceed as scheduled.
- [49] On December 5, 2018, two days following that attendance, the Remaining Respondents formally advised that they no longer had counsel and that they would be self-represented, with Ben representing MGC.
- [50] On December 28, 2018, the Remaining Respondents formally advised that they would be represented by new counsel, Mr. Camp. In the afternoon of Thursday, January 3, 2019, with the merits hearing scheduled to begin on the following Monday, the Remaining Respondents filed a motion requesting that the hearing be adjourned and that it commence on February 25, 2019.
- [51] In bringing the motion, the Remaining Respondents cited the complexity of this matter, the extensive evidentiary record, and the potentially serious consequences. The Remaining Respondents relied on Payam's affidavit, which:
- a. requested the adjournment "to allow our newly retained lawyer time to prepare so that we can fairly respond to Staff's allegations"; and
 - b. indicated that the Remaining Respondents had decided as of December 5, 2018, to represent themselves, believing that they could do so adequately, but then in mid-December came to the realization that they required the assistance of legal counsel.

3. Analysis

- [52] Rule 29(1) of the *Ontario Securities Commission Rules of Procedure (Rules)*⁴ provides that every merits hearing shall proceed on the scheduled date unless the party requesting an adjournment “satisfies the Panel that there are exceptional circumstances requiring an adjournment.”
- [53] The requirement for “exceptional circumstances” was introduced in the new Rules in 2017. The former rules of procedure⁵ set out, in Rule 9, the procedure for requesting an adjournment and factors to be considered by a Panel in making its decision. The former rule did not prescribe a standard that a requesting party had to meet.
- [54] As the Commission has previously held, the new standard is a “high bar”⁶ that reflects the important objective set out in current Rule 1, that Commission proceedings be “conducted in a just, expeditious and cost-effective manner.” This objective must be balanced against parties’ ability to participate meaningfully in the hearing and to present their case. A determination as to whether an adjournment should be granted is necessarily fact-based, and will include consideration of, among other things, how the requesting parties have conducted themselves in the case.⁷
- [55] We begin our analysis of the circumstances in this case by noting that the merits hearing had already been adjourned twice. The first adjournment was for two and a half weeks due to miscommunication between the respondents and their prior counsel. The second adjournment was for approximately one month due primarily to the appointment of a receiver over MGMIC.
- [56] In our view, both of these adjournments are neutral factors with respect to the Remaining Respondents’ current adjournment request. While the first adjournment was attributable entirely to the respondents, it was for a relatively short time, and its effects were rendered moot by the second adjournment. The second adjournment was attributable to the appointment of a receiver, the freezing of funds, and the amendment of the Statement of Allegations. All of those were actions taken by Staff, so the second adjournment ought not to be held against the Remaining Respondents when their current adjournment request is considered.
- [57] The firm of Groia & Company was counsel of record for the respondents from the first appearance in January 2018. It was not until December 2018 that there was any suggestion that the firm might not appear for the Remaining Respondents at the merits hearing. At the interlocutory attendance on December 3, 2018, Mr. Richard held open the possibility that his firm might appear but in a limited capacity.
- [58] The Remaining Respondents have offered no reason for their decision, effected two days later, to appear on their own behalf. Similarly, they have offered no reason for their decision, once they changed their mind and realized they needed legal assistance after all, to retain new counsel instead of reappointing Groia & Company. While a party’s relationship with its counsel is generally protected by

⁴ (2017) 40 OSCB 8988 (the **Rules**)

⁵ (2014) 37 OSCB 4168

⁶ *Pro-Financial Asset Management Inc (Re)*, 2018 ONSEC 18, (2018) 41 OSCB 3512 at para 28

⁷ *Cheng (Re)*, 2018 ONSEC 13, (2018) 41 OSCB 2359 at paras 5-6

solicitor-client privilege, and while a party is generally entitled to choose its counsel without any obligation to explain its choice, that rule cannot apply when the party seeks to rely on a change of counsel to justify an adjournment request. In those circumstances, the party opens itself to inquiry as to the reason for its choice and as to why that reason constitutes exceptional circumstances.

- [59] In this case, it is reasonable to assume, absent any evidence to the contrary, that if the Remaining Respondents had reappointed Groia & Company in mid-December when they realized they needed counsel (no more than two weeks after they decided to appear on their own behalf), no adjournment would have been required. Groia & Company had carriage of the matter from the beginning, and it was the change in counsel that the Remaining Respondents submitted was the reason they needed an adjournment.
- [60] These circumstances therefore cried out for an explanation. The Remaining Respondents did not offer an explanation; nor did they explain why none was offered.
- [61] We acknowledge the possibility that even if the Remaining Respondents had wanted to reappoint Groia & Company at that time, Groia & Company might not have been prepared to act, for any number of reasons. However, the Remaining Respondents made no such suggestion, and we therefore have no basis to conclude that the Remaining Respondents were unable to continue with their previous counsel.
- [62] We accept that because of the timing of Mr. Camp's retainer, he found himself in a difficult situation due to circumstances beyond his control. We accept that he had less time to prepare for the hearing than he and the Remaining Respondents would have preferred. However, we reject the Remaining Respondents' submission that denying them the requested adjournment would prevent them from meaningfully exercising their right to counsel. They had the counsel of their choosing throughout the proceeding. They appointed new counsel, without explaining why that was necessary, or even if it was necessary. That is their choice, but having made that choice they cannot complain that the cause of their new counsel's difficulties lies elsewhere.
- [63] It is important that proceedings such as this one advance expeditiously. To accede to the Remaining Respondents' position would permit respondents to manipulate the process by delaying hearings without having to justify doing so. Such a result is precisely what Rule 29 seeks to avoid and would be contrary to the public interest.
- [64] In our view, the Remaining Respondents failed to demonstrate any "exceptional circumstances" that might warrant a further adjournment of the merits hearing. For that reason, we dismissed their request.

IV. ANALYSIS

A. Issues

- [65] Staff's allegations present the following three principal issues:
 - a. Did the respondents engage in, or hold themselves out as engaging in, the business of trading in securities?

- b. In distributing the preferred shares of MGMIC without a prospectus, were the respondents entitled to rely on an exemption from the prospectus requirement? In particular, can they rely on the (i) private issuer, (ii) minimum amount, (iii) accredited investor, and/or (iv) friends, family and business associates exemptions?
 - c. Did the respondents engage in or participate in acts, practices, or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud?
- [66] Before turning to our analysis of each of those issues, we consider several evidentiary questions that apply to our analysis generally.

B. Evidentiary Matters

1. Standard of proof

- [67] The standard of proof applicable to Commission proceedings is the balance of probabilities. Staff must prove, based on clear, convincing and cogent evidence, that it is more likely than not that the alleged events occurred.⁸

2. Hearsay

- [68] Section 15 of the *Statutory Powers Procedure Act (SPPA)*,⁹ which applies to proceedings before the Commission, provides that a panel may admit as evidence any relevant oral testimony or document, even if not given under oath or affirmation, or admissible in court. This extends to hearsay evidence.
- [69] As with all evidence, we must determine what weight to give to admissible hearsay evidence. Hearsay evidence is not necessarily less reliable than direct evidence, but we must avoid placing undue weight on uncorroborated hearsay evidence that does not sufficiently support a conclusion that it is reliable.¹⁰

3. Adverse inference against Ben

- [70] Staff submits that because Ben did not testify at the hearing, we ought to draw the adverse inference that his evidence would not have been helpful to him.
- [71] A panel may draw such an inference in respect of a party who does not testify, if the opposite party has made out a *prima facie* case against that party, and if there is no sufficient explanation for the party not testifying. If both those conditions are satisfied, then the party's failure to testify amounts to an implied admission that the party's evidence would not have been helpful to that party.¹¹
- [72] We conclude that Staff has made out a *prima facie* case against Ben. As we explain more fully below in our analysis of the substantive issues, Staff led evidence that, if believed, would establish wrongdoing on his part. Such evidence includes the oral testimony of Ms. Ghaffari, certain admissions made by Payam

⁸ *FH v McDougall*, 2008 SCC 53 at paras 40, 46, 49; *Meharchand (Re)*, 2018 ONSEC 51, (2018) 41 OSCB 8434 (**Meharchand**) at paras 28-29

⁹ RSO 1990, c S.22

¹⁰ *Rex Diamond Mining Corp v Ontario (Securities Commission)*, 2010 ONSC 3926 (Div Ct) at para 4; *Meharchand* at para 52

¹¹ Sidney N Lederman, Alan W Bryant & Michelle K Fuerst, *Sopinka, Lederman & Bryant: The Law of Evidence in Canada*, 5th ed (Toronto: LexisNexis Canada, 2018) (**Lederman**), at 406-407

during his oral testimony, statements made by Ben himself when he was interviewed by Staff in 2016, and various documents.

- [73] We must therefore consider whether there are circumstances that justify Ben's decision not to testify and that would therefore preclude us from drawing the adverse inference.
- [74] While re-examining Payam during the hearing, the Remaining Respondents' counsel noted that Ben had been in attendance for parts of the hearing but not for the entire hearing. Counsel asked Payam whether that fact was connected to Ben's health problems. Payam stated that it was. When asked whether Ben had received any doctor's advice regarding his attendance at the hearing, Payam said: "It was I guess more general advice regarding stressful situations, heart issues, concerns. He's been in and out of the hospital a little bit."¹²
- [75] That was the extent of the explanation. It is insufficient. Even on Payam's description, the medical advice was general and unrelated specifically to this hearing, to litigation generally, or to what Ben's role at a hearing might be (e.g., as a witness, or as a non-testifying party). Payam's testimony was unsupported by any document or by any mention of a particular medical professional, and it was completely vague as to time. We cannot accept his testimony as a reason not to draw an adverse inference.
- [76] In closing written submissions delivered five weeks after the conclusion of the evidentiary portion of the hearing, the Remaining Respondents offered to provide documentary evidence, such as a doctor's letter, if necessary. No reason was given as to why this step was not taken earlier. It was not in the public interest to re-open the evidence at that late stage. We declined to do so.
- [77] We conclude that an adverse inference against Ben is justified. We return to this finding below as appropriate, in the context of specific questions of fact.

4. Witnesses' credibility and reliability

(a) Introduction

- [78] In assessing the credibility and reliability of the witnesses who testified at the hearing, we are guided by the decision of the Ontario Superior Court of Justice in *Springer v Aird & Berlis LLP*,¹³ in which Newbould J. adopted the following words from a British Columbia Court of Appeal decision:

The most satisfactory judicial test of truth lies in its harmony or lack of harmony with the preponderance of probabilities disclosed by the facts and circumstances in the conditions of the particular case.¹⁴

- [79] We need not necessarily come to one overarching conclusion about a witness's credibility or reliability. It is open to us to find that a witness was credible in some respects but not in others. We may conclude that some aspects of a witness's testimony are reliable, but that other aspects are not.¹⁵

¹² Hearing Transcript, Money Gate Mortgage Investment Corporation (Re) (**Hearing Transcript**), May 15, 2019, at 121

¹³ (2009) 96 OR (3d) 325 (**Springer**)

¹⁴ *R v Pressley*, [1949] 1 WWR 692 (BCCA) at para 12, cited in *Springer* at para 14

¹⁵ *Meharchand* at para 62

- [80] In this case, the oral evidence of Ms. Ghaffari and of Payam features prominently. Their evidence conflicts in material respects. Therefore, to assist our assessment of their credibility and reliability, we will review the most significant evidentiary contradictions, which arise in the context of two issues:
- a. the extent of Ms. Ghaffari's involvement in approving loans, including certain loans made by MGMIC to parties alleged by Staff to have been related to MGMIC (the **Related Party Loans**, which are more particularly described beginning at paragraph [236] below); and
 - b. whether Messrs. Missaghi and Mohammed exercised some control over MGMIC.

(b) Ms. Ghaffari's involvement in approving loans

- [81] Staff and the Remaining Respondents take opposing positions regarding Ms. Ghaffari's involvement in approving loans, including the Related Party Loans. The Remaining Respondents submit that she was fully involved. Staff contends that she was not. The parties offered conflicting evidence in support of their positions.
- [82] In a transcribed interview in July 2016, Ben told Staff that Ms. Ghaffari "was never being active in" and "never took a serious role in" MGMIC.¹⁶ He stated that because Ms. Ghaffari was busy "on the broker side [MGC]", dealing with financial institutions, she did not take part in MGMIC's private lending decisions, other than "one or two deals".¹⁷ According to Ben, it was Payam who did the underwriting on MGMIC's private deals.
- [83] Payam gave a similar description in Staff's 2016 interview of him. When asked what Ms. Ghaffari's role was at MGMIC, Payam stated that "[s]he didn't really have an active role."¹⁸
- [84] In her testimony before us, Ms. Ghaffari gave different reasons for her limited role, but her characterization was largely consistent with Ben's and Payam's prior evidence.
- [85] Ben and Payam now take a position that is inconsistent with their 2016 statements. They, and MGC, rely on Payam's evidence at the hearing that Ms. Ghaffari was fully involved. They also rely on documents and information regarding some specific loans.
- [86] One such loan was to Payam, in the amount of \$82,500 and secured by a second mortgage on the residential property at 26 Heron Hollow Avenue in Richmond Hill (**Heron Hollow**). Ms. Ghaffari testified that she believed that Carlo Esposito, who owned a real estate appraisal company, was the original owner of Heron Hollow. She testified that Ben and Payam told her that Mr. Esposito lived there when MGMIC made the loan. Mr. Esposito used the Heron Hollow address as his address on appraisal reports that he issued.

¹⁶ Exhibit 228, List of read-ins for Ben Katebian, Tab 6 at 36 lines 2-3 and Tab 20 at 206 line 25

¹⁷ Exhibit 228, List of read-ins for Ben Katebian, Tab 15 at 169 lines 4-5 and Tab 23 at 238

¹⁸ Exhibit 253, Excerpt from transcript of voluntary interview of Payam Katebian, September 13, 2016, at 43 lines 15-16

- [87] Payam testified that he purchased Heron Hollow in 2015 and sold it in 2016, and that during that time, the home was rented by a Russian couple. Payam denied that Mr. Esposito lived at Heron Hollow. He was unable to explain why Mr. Esposito used Heron Hollow as his business address. Payam testified that he didn't "have that close of a relationship with Mr. Esposito."¹⁹
- [88] On direct examination, Ms. Ghaffari testified that she became aware of the mortgage loan on Heron Hollow only after it had been made. On cross-examination, however, when confronted with a disclosure statement relating to Heron Hollow and bearing her signature, she agreed that she had been aware of the proposed loan before it was made. She said that initially, she was opposed to MGMIC making the loan, but that she was satisfied after receiving answers from Ben and Payam.
- [89] Ms. Ghaffari also testified regarding a loan of \$665,000 made by MGMIC and secured by a second mortgage on a condominium unit at 2045 Lakeshore Boulevard West in Toronto (**Palace Pier**). The borrower was Atlas Capital Corporation, whose principal was Jonathane Ricci, a lawyer whose office was in the same premises as those of the respondents.
- [90] When shown a disclosure document relating to Palace Pier and purporting to bear her signature, Ms. Ghaffari testified that she had not seen the document before her interview by Staff during the investigation. However, she agreed that the document bore her signature. She testified that she must have been given the document to sign, and that she did so because she trusted that Payam had made the required disclosure to Mr. Ricci.
- [91] The conflict between Ms. Ghaffari's statement that she had not seen the document at the time of the loan and her explanation as to why she signed it was not resolved.
- [92] We decline the Remaining Respondents' invitation for us to conclude from the presence of Ms. Ghaffari's signature on various documents, and from Ms. Ghaffari's testimony that she was "very, very particular"²⁰ about transaction documents (a sentiment echoed by Payam),²¹ that Ms. Ghaffari was fully involved in MGMIC's lending decisions.
- [93] We believe Ms. Ghaffari's description of the usual process, when she says that as the broker of record for MGC she signed disclosure certifications based on a representation to her from an agent (whether Payam or someone else) that the agent had made the necessary disclosure to the borrower.²² In our view, such a practice is not inconsistent with her being particular about the documents, since that description could refer to a number of things, including the completeness of the documents, and/or the safeguard of the documents and the filing of documents as necessary.
- [94] The Remaining Respondents sought to bolster their submission about Ms. Ghaffari's level of involvement by relying on some transaction documents (e.g., mortgage applications) that showed her name. However, we accept Ms. Ghaffari's testimony that for a time, the mortgage application software

¹⁹ *Hearing Transcript*, May 10, 2019, at 31 line 9

²⁰ *Hearing Transcript*, January 11, 2019, at 116 line 1

²¹ *Hearing Transcript*, March 7, 2019, at 58 line 8

²² *Hearing Transcript*, January 9, 2019, at 122

automatically identified her as the agent, whether or not she was in fact the agent. Her evidence is corroborated by a mortgage application that showed her name but that was printed months after she had left the company.

- [95] The Remaining Respondents are correct in noting that on occasion, Ms. Ghaffari gave unclear and sometimes conflicting evidence about the point at which she was aware of an intended or completed loan. However, in our view, the Remaining Respondents conflate Ms. Ghaffari's compliance role for MGC with the activities of MGMIC. We do not accept that Ms. Ghaffari's unclear recollection or lack of precision about some loans indicates that she was being untruthful.
- [96] Further, and significantly in our view, Ms. Ghaffari's description of her role is corroborated by Ben's and Payam's statements to Staff in 2016. We prefer that evidence to Payam's testimony at the hearing.
- [97] We conclude that Ms. Ghaffari was involved to some extent in lending decisions for some of the Related Party Loans, but we cannot conclude that she was fully involved in approving all loans on behalf of MGMIC. It is clear that by no later than early March of 2016, she felt that there was a lack of integrity in the business and she "took a back seat" and "just watched but did not do anything."²³

(c) Whether Messrs. Missaghi and Mohammed exercised some control over MGMIC

- [98] Ms. Ghaffari testified that Mr. Missaghi was involved in MGMIC's affairs. She stated that he set mortgage rates and interest payments, and that he chose MGMIC's lawyers and appraisers. Her testimony to that effect was not challenged on cross-examination.
- [99] Further, her evidence is consistent with an email that Ben wrote to Ms. Ghaffari in March 2016, in which Ben said: "[MGMIC] is no longer a business that we control. Its [*sic*] a company that now has 3 main Players. Myself, Sai [Mohammed] and Ara [Missaghi]. There is no real say in my opinion alone, except when the decisions are made collectively between the 3 Key players."²⁴
- [100] The Remaining Respondents submit that we should attribute little or no weight to Ben's email, for four reasons.
- a. First, the Remaining Respondents question the completeness and accuracy of the document, tendered into evidence, that includes the email. Their concern relates to page numbers and blank spaces between emails. In our view, the page numbers and footers simply suggest that the emails are excerpted from search results. Without more, the blank spaces do not suggest that the content is inaccurate. Further, Ms. Ghaffari testified that she specifically recalled receiving this email. If Ben believed that the apparent content of the email was inaccurate or misleading, it was open to him to testify to that effect. He did not.
 - b. Second, the Remaining Respondents submit that the email is hearsay. While this is true, the statements in the email were made in circumstances that are consistent with their reliability. They are contained

²³ Exhibit 22, Email correspondence between Ben and Ms. Ghaffari

²⁴ Exhibit 22, Email correspondence between Ben and Ms. Ghaffari

in a communication from Ben to Ms. Ghaffari, with no apparent reason for Ben to be untruthful at the time.

- c. Third, the Remaining Respondents say that because English is not Ben's first language, Ben may not have intended "control" to have its ordinary meaning, and Staff is placing undue and extreme emphasis on the word "control". We do not accept that submission. The record contains numerous emails written by Ben, and there is nothing about those emails that causes us to doubt his ability to express himself clearly in English. Further, the portion quoted above is consistent throughout, with its references to the three individuals and to the fact that Ben's opinion alone was insufficient. Staff's position does not depend on the word "control" alone.
- d. Finally, the Remaining Respondents submit that Staff's suggested conclusion is inconsistent with Ms. Ghaffari's and Payam's oral evidence. However, as noted above in paragraph [98], Ms. Ghaffari did testify that Mr. Missaghi made decisions for MGMIC. We characterize those decisions as being of a kind that one would expect from someone with some measure of control. Further, we disagree with the Remaining Respondents' description of other evidence given by Ms. Ghaffari and cited by the Remaining Respondents. In those excerpts, Ms. Ghaffari describes disagreements between Ben and Messrs. Missaghi and Mohammed, and she testifies that Ben wanted control and that Mr. Mohammed and 1PLUS12 also wanted control. None of these facts is inconsistent with Messrs. Missaghi and Mohammed having some control.

[101] In addition, we note that over the Material Time, an increasing and ultimately significant proportion of the MGMIC loan portfolio was invested in properties in which one or both of Messrs. Missaghi and Mohammed, and/or entities related to them, had some financial interest. While this fact is not determinative of the control issue, it is consistent with Staff's allegation.

[102] Finally, the Remaining Respondents submit that when we consider Staff's allegation regarding Mr. Missaghi's and Mr. Mohammed's control over the respondents' business, we ought to draw an adverse inference against Staff due to Staff's failure to call either of them as a witness.

[103] We reject that submission. Staff relies on evidence that is in the record in support of the allegation regarding Messrs. Missaghi's and Mohammed's involvement. Staff's choice not to call them is unsurprising, given various concerns about their reliability and about whether it was likely that their evidence would assist in proving Staff's case. Those concerns include Mr. Mohammed's use of an alias, and may be borne out by a 2018 finding in the Superior Court of Justice that Mr. Missaghi was "careless with his words and consequently unreliable."²⁵

[104] We repeat the caution referred to above in paragraph [72]. An adverse inference ought to be drawn only where the missing evidence would be superior to that

²⁵ *B&M Handelman Investments Limited v Christine Drotos*, 2018 ONSC 7124 at para 30

called. Further, it ought to apply only where the witness would be assumed to be willing to assist the party who fails to call the witness.²⁶

- [105] Staff is entitled to call the evidence that it wishes in support of its contention that Messrs. Missaghi and Mohammed were undisclosed principals. Staff's success in proving that fact will depend on the evidence called, not on Staff's tactical decisions.
- [106] Taking all of the above into account, we have no difficulty concluding that Messrs. Missaghi and Mohammed exercised increasing and considerable control over the affairs of MGMIC during the Material Time. Ms. Ghaffari's evidence in support of that conclusion was not successfully challenged on cross-examination. Payam's evidence to the contrary is self-serving and uncorroborated, and it conflicts with Ben's own statements made in circumstances that suggest that Ben's statements are reliable. To the extent that Payam's evidence conflicts with that of Ms. Ghaffari on this point, we reject it.

(d) Conclusion as to Ms. Ghaffari's and Payam's credibility and reliability

- [107] In general, Ms. Ghaffari's evidence is better corroborated, is more consistent with both documentary evidence and Ben's own evidence, and is inherently more believable, than Payam's evidence. However, each of Payam and Ms. Ghaffari gave us reasons to approach their evidence with some skepticism.
- [108] While we are more likely to prefer Ms. Ghaffari's evidence to Payam's in the event of a conflict, we choose to abide by the caution described in paragraphs [78] and [79] above. We will comment further on this topic as appropriate in our analysis below.

(e) Investors

- [109] Staff called four MGMIC investors as witnesses.
- [110] S.B. described his investment knowledge as below average. He became aware of MGMIC through a co-worker who was involved in 1PLUS12 and who had previously invested. He invested in MGMIC in December 2015 and recalls seeing the offering memorandum at that time, as well as a revised offering memorandum in January 2017. His account statement dated February 2017 shows him holding approximately \$103,000 worth of MGMIC shares. He has requested the return of his investment but has received only \$24,000.
- [111] J.A. described his investment knowledge as average. He invested more than \$110,000 in MGMIC from July 2015 to November 2016. He has received none of his original investment.
- [112] A.P. testified that he knew "basically nothing" about investing. He learned of MGMIC through a connection of his daughter's. He invested in MGMIC beginning in February 2016 after seeing some promotional materials he received from his connection. His most recent account statement, dated October 2017, shows him holding approximately \$110,000 worth of MGMIC shares. He has requested a return of his funds but has received nothing.

²⁶ *Lederman* at 406

- [113] R.P. described his investment knowledge as average. He became aware of MGMIC through an acquaintance who identified himself as a representative of MGMIC. He invested \$11,710.
- [114] Of the four investor witnesses, J.A. was the only one who was cross-examined. The cross-examination did not undermine his original testimony.
- [115] None of the four investor witnesses' testimony was contradicted in any way. We found all of them to be credible and their testimony to be reliable. We accept it.

5. Weight to be attributed to Payam's undisclosed evidence

(a) Introduction

- [116] Staff submits that we should give some of Payam's evidence diminished weight because it was not disclosed to Staff as required prior to the hearing. Staff's concern arises primarily with respect to Payam's evidence regarding the relationship between Mr. Missaghi, 1PLUS12 and MGMIC, and the allegations that the respondents improperly diverted funds. We accept Staff's submission as it applies to some elements of Payam's evidence, for the following reasons.
- [117] The Rules require that each party serve on the other parties, prior to the hearing, a summary of the evidence that each witness is expected to give at the hearing, including by identifying any document to which the witness is expected to refer.²⁷ A party may not rely on evidence that was not disclosed as required, without the permission of a panel.²⁸
- [118] The Remaining Respondents served a witness statement regarding Payam's anticipated evidence. The statement said simply that Payam would testify in accordance with the transcripts of the examinations that Staff had conducted of him during the investigation.
- [119] After the Remaining Respondents retained new counsel, Staff agreed to extend the deadline for delivery of revised witness statements, to February 15, 2019. Despite this, the Remaining Respondents did not deliver any revised statements prior to the hearing.
- [120] During his testimony at the merits hearing, Payam began to give evidence that Staff submitted was outside the bounds of Payam's examination transcripts and had therefore not been properly disclosed. Because this issue was likely to recur, the parties agreed to note Staff's blanket objection to previously undisclosed evidence and to have Payam continue to testify. Staff would raise any such issues in written submissions, following which we would take the parties' submissions into account in determining the weight to be given to the evidence.
- [121] The parties also agreed that the Remaining Respondents could be taken to have properly disclosed evidence contained in an affidavit sworn by Payam in a civil proceeding that overlaps with this proceeding,²⁹ which affidavit had been included in Staff's hearing brief served prior to the hearing.

²⁷ *Rules*, r 27(3)

²⁸ *Rules*, r 27(8)

²⁹ *Estrabillo et al. v Katebian et al.*, Ontario Superior Court File No. CV-18-589395-00CL; affidavit sworn September 13, 2018.

(b) Analysis of the general principles

- [122] Staff submits that it is important to respect the policy underlying the disclosure obligation, and that we should attach little or no weight to uncorroborated evidence that was not previously disclosed. The failure to disclose evidence before the hearing deprives the opposite party of the opportunity to test the evidence through further investigation. We agree with this submission.
- [123] Staff further submits that Payam had the advantage of hearing Staff's entire case in chief and could therefore tailor his evidence. While there is some truth to that, the fact that Staff disclosed its witnesses' anticipated evidence prior to the hearing minimizes the extent of that advantage.
- [124] The Remaining Respondents explain that any failure on their part to provide pre-hearing disclosure in as formal a way as Staff would like is attributable in part to their late change of counsel. Even if that explanation is factually accurate, we reject it for the same reasons for which we declined the Remaining Respondents' request to adjourn the merits hearing.
- [125] The Remaining Respondents also note that Staff's Amended Statement of Allegations does not mention a number of the topics that are the subject of Staff's objection, and that it does not mention 1PLUS12 or Mr. Missaghi. We reject that response as well. There is no logical connection between the scope of the Amended Statement of Allegations and Staff's objection to Payam's evidence. It was Payam who first introduced the impugned topics during his examination-in-chief by his counsel. Staff objected at that time. Staff's objection was well-founded, given that Payam was putting forward this evidence for the first time without having previously disclosed it.
- [126] For all these reasons, we place no weight on Payam's evidence with respect to two topics. The Remaining Respondents concede that neither topic was the subject of any pre-hearing disclosure by them. Those topics are:
- a. a supposed relationship between Ms. Ghaffari and Mr. Missaghi that pre-dated the events at issue in this proceeding; and
 - b. Staff's allegations that the respondents improperly diverted funds in connection with a property at 4 Birchmount Road in Toronto, which allegations we review in detail beginning at paragraph [288] below.
- [127] The other areas of evidence about which Staff objects are more difficult to resolve, because the Remaining Respondents do not concede that the evidence was not properly disclosed. They submit that these areas, including the involvement of Mr. Missaghi and 1PLUS12, "are more complicated",³⁰ in that Payam's affidavit speaks generally about how loans were approved.
- [128] Staff responds that it "can advise that the affidavit does not disclose much of Payam's new evidence, including evidence on, among other things [four specified areas]...".³¹ Staff's description is insufficiently precise for us to use it as a basis to resolve Staff's objection.
- [129] We are therefore unable to be certain about the extent to which the affidavit gave Staff notice of Payam's evidence on this topic, because the parties chose

³⁰ *Hearing Transcript*, June 28, 2019, at 4 line 27

³¹ Reply Submissions of Staff dated June 25, 2019, at para 19

not to enter that affidavit into the record. This was so despite the panel's warning during the hearing that if we were asked to resolve this objection, we might need to review documents that were not then in evidence.

- [130] Staff seeks to lay responsibility for this choice at the feet of the Remaining Respondents. Staff submits that on cross-examination, Staff suggested to Payam that his evidence was a fabrication. According to Staff, the Remaining Respondents' failure to adduce the affidavit in response to that suggestion deprives them of the ability to argue that proper pre-hearing disclosure was made.
- [131] We disagree. There is no logical connection between the issue of pre-hearing disclosure and a suggestion that Payam was fabricating evidence.
- [132] We conclude by finding that where Staff seeks to exclude, or to minimize weight given to, testimony given by a respondent, because of an alleged failure to make proper pre-hearing disclosure, the onus lies on Staff to provide the panel with such documents and information as is necessary to enable the panel to compare the testimony to the disclosure. Where, as in this case, Staff fails to do so, it runs the risk that its objection will not be sustained. In our view, that is the appropriate result in this case, except for the two areas conceded by the Remaining Respondents, referred to in paragraph [126] above.
- [133] As it turns out, our decision on that point is inconsequential for Staff, because we prefer Ms. Ghaffari's evidence over that of Payam with respect to the role played by Mr. Missaghi and 1PLUS12. Accordingly, while Payam's evidence on the point is admissible, we give it no weight.

6. Staff's expert witness, Mr. Philippe Hébert

- [134] Staff called Mr. Philippe Hébert, an expert in real estate appraisals, as a witness. Mr. Hébert gave opinion evidence about two properties in northern Ontario on which MGMIC made significant loans (the Timmins property and the Temiskaming property) and about the methodology underlying the appraisals that MGMIC obtained regarding those properties. Mr. Hébert also gave his opinion regarding the market value of each property as of the date of the appraisal obtained by MGMIC. In both cases, Mr. Hébert's ascribed value was a fraction of the value shown in the MGMIC's appraisals.
- [135] In closing submissions, the Remaining Respondents contended that some of Mr. Hébert's opinion evidence was outside the scope of the issue for which he was qualified as an expert, and that we must therefore ignore his evidence. We disagree, but little turns on it. In closing submissions, Staff chose not to rely on any aspect of Mr. Hébert's evidence other than the retrospective value of the two properties. When we asked Staff whether it submitted that the respondents ought to have been aware of the deficiencies identified by Mr. Hébert, Staff advised that it was not taking that position.
- [136] For reasons we explain below beginning at paragraph [272], we find that it was inappropriate for MGMIC to rely on the appraisals it obtained with respect to the two properties. We reach that conclusion based on conditions that are evident on the face of the appraisals, and without reference to Mr. Hébert's evidence regarding the value of the properties at the relevant time.

[137] As a result, while we found Mr. Hébert to be a professional, candid and careful witness, and while we have no reason to discount any of his evidence, we need not and do not rely on it in coming to our conclusions.

C. Did the respondents engage in, or hold themselves out as engaging in, the business of trading in securities?

1. Introduction

[138] We now turn to consider Staff's three principal allegations against the respondents.

[139] The first relates to s. 25(1) of the Act, which provides that no person or company shall engage in, or hold themselves out as engaging in, the business of trading in securities, unless the person or company is registered to do so. None of the respondents was ever registered.

[140] The registration requirement is a cornerstone of the securities regulatory framework. It is an important gate-keeping mechanism that protects investors and the capital markets by imposing obligations of proficiency, integrity and solvency on those who seek to be engaged in the business of trading in securities with or on behalf of the public.³²

[141] While the respondents suggested, in 2015 correspondence with Staff, that MGMIC could offer and sell shares "under an exemption",³³ that correspondence did not specify the applicable exemption(s). In closing submissions, the Remaining Respondents did not assert that they were entitled to an exemption from the registration requirement.

[142] Accordingly, we must determine whether the respondents engaged in "the business of trading in securities" or held themselves out as doing so.

2. Business trigger

(a) The test

[143] For the registration requirement to apply to a person or company, the business of trading in securities need not be the only business in which that person or company is engaged.³⁴ As the Commission has previously held, we "must determine whether the activities in this case cross the line between permissible solicitation and the business of trading."³⁵

[144] The Commission has adopted Companion Policy 31-103CP *Registration Requirements, Exemptions and Ongoing Registrant Obligations (31-103CP)*, which, among other things, sets out criteria to be considered in determining whether a person or company is engaged in a business when trading or advising in securities.

[145] While 31-103CP is not part of Ontario securities law, and therefore is not directly binding on the respondents, the "business purpose" test in s. 1.3 (also referred to as the "business trigger") includes the following factors, on which Staff relies

³² *Al-Tar Energy Corp (Re)*, 2010 ONSC 11, (2010) 33 OSCB 5535 (**Al-Tar**) at para 81

³³ Exhibit 60, Letter from MGMIC to Staff Re: Money Gate MIC Questions

³⁴ *Momentas Corp (Re)*, 2006 ONSC 15, (2006) 29 OSCB 7408 (**Momentas**) at para 56

³⁵ *Blue Gold Holdings Ltd (Re)*, 2016 ONSC 24, (2016) 39 OSCB 6947 (**Blue Gold**) at para 20

and which the Commission has adopted in other proceedings.³⁶ We consider it appropriate to apply these factors in assessing the respondents' conduct in this case:

- a. trading with repetition, regularity or continuity, whether or not that activity is the sole or even primary endeavour;
- b. directly or indirectly soliciting securities transactions;
- c. receiving or expecting to receive compensation for trading; and
- d. engaging in activities similar to those of a registrant, including by setting up a company to sell securities, or by promoting the sale of securities.

[146] We now review each of these factors in turn.

(b) Trading with repetition, regularity, continuity

[147] In the first 33 months of the Material Time,³⁷ the respondents raised approximately \$11 million through about 228 separate distributions to 150 investors. There were almost seven distributions per month during that time, and they occurred in all but six of the 33 months.

[148] As Staff notes, the distributions in this case continued over a similar or longer time period than that found in numerous previous Commission decisions in which the business trigger test was found to have been met:

- a. 37 months in *Moncasa Capital Corp. (Re)*, in which the issuer raised over \$1.2 million;³⁸
- b. 26 months in *Majestic Supply Co. (Re)*, in which the issuer raised \$2.1 million;³⁹
- c. 19 months in each of *McCarthy (Re)*⁴⁰ and *MRS Sciences Inc (Re)*,⁴¹ in which the issuers raised \$360,000 and almost \$840,000, respectively; and
- d. 17 months in *Richvale Resource Corp. (Re)*,⁴² in which the issuer raised approximately \$750,000.

[149] The frequency and regularity of distributions in this case, combined with the extended time over which the distributions were made, amply meet this component of the business trigger test. We reject the Remaining Respondents' submission that the above facts are not useful indicators.

³⁶ See, e.g., *Momentas* at paras 52-56; *Meharchand* at para 111

³⁷ The Material Time for all allegations is approximately 40 months, from August 2014 to December 2017 (*Amended Statement of Allegations*, para 6). However, the allegation relating to the raising of capital is confined to the period from August 2014 to April 2017 (*Amended Statement of Allegations* at para 4)

³⁸ 2013 ONSEC 20, (2013) 36 OSCB 5320 at paras 2, 32, 55, 57

³⁹ 2013 ONSEC 5, (2013) 36 OSCB 2104 at paras 2, 41, 46, 145

⁴⁰ 2014 ONSEC 1, (2014) 37 OSCB 510 at paras 18, 25

⁴¹ 2011 ONSEC 5, (2011) 34 OSCB 1547 (***MRS Sciences***) at paras 3, 161-164

⁴² 2012 ONSEC 13, (2012) 35 OSCB 4286 at paras 5, 39

(c) Directly and indirectly soliciting securities transactions

[150] Staff submits, and it is not disputed, that MGMIC actively solicited the sale of its preferred shares through the following means, among others:

- a. promotional events and seminars hosted at MGMIC's offices, to which existing and potential investors were invited;
- b. participation in training sessions held by 1PLUS12, at which Ben and Payam talked about how individuals could obtain funds (including by borrowing against home equity) to invest in MICs generally and MGMIC in particular;
- c. MGMIC's website, which included an "Investing" page that promoted the sale of MGMIC shares;
- d. the use of various promotional materials, including fliers and videos, and the distribution of these materials through social media and other methods; and
- e. attendance at trade shows to promote MGMIC's business.

[151] Ben's active participation in MGMIC's solicitation efforts is confirmed by:

- a. his own description of his role as CEO ("mostly to coach people to see what is really good for them... [and if] it suitable for them, I introduce them to our own company");⁴³
- b. his statement that twice he gave presentations in Ottawa to promote MGMIC to existing or potential investors;⁴⁴ and
- c. the uncontradicted evidence of Payam and Ms. Ghaffari that Ben, among other things:
 - i. was responsible for investor relations;⁴⁵
 - ii. called individuals who had previously invested through MGC and solicited their investment in MGMIC;⁴⁶
 - iii. created one or more of the offering memoranda;⁴⁷
 - iv. was involved in the 1PLUS12 presentations referred to in paragraph [150] above;⁴⁸ and
 - v. was responsible for the content of promotional videos, at least one of which featured him.

⁴³ Exhibit 228, List of read-ins for Ben Katebian, Tab 3 at 27 lines 23-25

⁴⁴ Exhibit 228, List of read-ins for Ben Katebian, Tab 12 at 112

⁴⁵ *Hearing Transcript*, January 7, 2019, at 78 line 3; March 4, 2019 at 67 lines 23-24

⁴⁶ *Hearing Transcript*, January 9, 2019, at 15 lines 7-13

⁴⁷ *Hearing Transcript*, January 9, 2019, at 43 line 23

⁴⁸ *Hearing Transcript*, January 9, 2019, at 49 line 13

[152] Payam, whose employment agreement described him as MGMIC's "Business Development Manager", was also central to MGMIC's solicitation efforts. Among other things, he:

- a. called individuals who had previously invested through MGC and solicited their investment in MGMIC;
- b. created investment fliers to promote the sale of MGMIC's shares;
- c. prepared a slide deck that was used to market to existing and potential investors;
- d. was involved in the 1PLUS12 presentations referred to in paragraph [150] above; and
- e. reviewed the content of promotional videos.

[153] The evidence clearly establishes that each of MGMIC, Ben and Payam was actively involved in soliciting investment in shares of MGMIC.

(d) Being, or expecting to be, remunerated or compensated for trading

[154] Payam testified that he received an annual salary of \$60,000 from MGMIC beginning in 2015. Given his title and his activities as described above, we have no hesitation in finding that he was remunerated at least in part, if not entirely, in respect of MGMIC's trading activities.

[155] We cannot accept Payam's submission that because the amount of his compensation was not tied directly to the amount of capital raised, he neither received nor expected to receive compensation for those activities.

[156] Further, even if we were to accept Payam's submission that he devoted the majority of his efforts to the management of MGMIC's lending business and not to the raising of capital (and we do not accept that submission), the fact remains that at least a portion of Payam's time was devoted to raising capital, an activity for which a corresponding portion of his salary would be attributable.

[157] Staff submits that Ben was indirectly compensated for MGMIC's trading activities, because MGC earned its fee based on the size of MGMIC's portfolio, and Ben shared in MGC's profits. We accept that submission.

(e) Engaging in activities similar to those of a registrant

[158] Staff submits, and we agree, that the respondents' activities were similar to those of an exempt market dealer and its principals. Specifically, the respondents:

- a. promoted the sale of MGMIC's preferred shares;
- b. met with potential investors to discuss details of the investment and the offering memoranda; and
- c. discussed subscription documents with investors, filled in information on those documents, and signed as a witness.

3. Overall nature of MGMIC's business

- [159] The Remaining Respondents submit that they did not breach s. 25(1), because the capital raising was incidental to MGMIC's business of operating a mortgage investment corporation.
- [160] It is true that, as the Remaining Respondents submit and the Commission has previously held, our role is to "take a holistic view" of the capital-raising and other activities of MGMIC.⁴⁹ However, as we have explained above at paragraph [143], such a view does not preclude a finding that MGMIC was simultaneously engaged in the business of trading in securities and the business of investing the proceeds in mortgages.
- [161] Indeed, Payam's employment agreement with MGMIC recited that MGMIC was "in the business of raising capital for mortgage investments".⁵⁰ These are compelling facts in support of the conclusion that MGMIC was engaged in the business of trading in securities.⁵¹ The fact that the capital was being deployed for uses that did not involve securities does not diminish that conclusion.
- [162] Further, we do not agree with the Remaining Respondents that we should apply previous findings of this Commission to the effect that any business seeking equity financing must of necessity trade in its own securities, and that any new corporation seeking capital must solicit trades.⁵² Those findings merely confirm that by trading in its own shares, an issuer is not necessarily engaged in the business of trading those securities; a full analysis of all relevant factors is necessary.
- [163] Finally, MGMIC's capital-raising activities were not confined to a start-up phase pending the establishment of a revenue-generating business. MGMIC had reached its steady state, with continuous raising of capital, early in the Material Time. MGMIC's failure to be profitable in the several years that it operated cannot be used as a basis for saying that MGMIC was in a start-up phase until it became profitable.

4. Conclusion as to whether MGMIC, Ben and Payam engaged in the business of trading in securities

- [164] From its inception and throughout its existence, MGMIC traded in its securities repeatedly, regularly and continuously. Through its principals Ben and Payam, it directly and indirectly solicited those trades, and compensated Ben and Payam for doing so. MGMIC's activities related to the trades were similar to those of a registrant.
- [165] MGMIC, Ben and Payam were therefore engaged in the business of trading in securities, as contemplated by s. 25(1) of the Act. While MGC played a role in the overall business, as the broker for all of MGMIC's loans, it does not follow that MGC itself was engaged in the business of trading shares of MGMIC. That allegation is dismissed.
- [166] Staff did not submit, and we do not find, that all MICs are necessarily engaged in the business of trading in securities, simply because of the nature of a MIC. The

⁴⁹ *Future Solar Developments Inc (Re)*, 2016 ONSC 17, (2016) 39 OSCB 4495 at para 45

⁵⁰ Exhibit 67, Employment Agreement between MCMIC and Payam Katebian at 2

⁵¹ *Momentas* at para 61

⁵² *Meharchand (Re)*, 2015 ONSC 43, (2015) 38 OSCB 10761 at para 44; *Blue Gold* at para 20

question of whether a particular business, including a MIC, is engaged in the business of trading in securities remains one that must be resolved in light of all the relevant facts.

D. In distributing the preferred shares of MGMIC without a prospectus, were the respondents entitled to rely on an exemption from the prospectus requirement? In particular, can they rely on the (i) private issuer, (ii) minimum amount, (iii) accredited investor, and/or (iv) friends, family and business associates exemptions?

1. Introduction

- [167] Subsection 53(1) of the Act provides that unless a prospectus has been properly filed and receipted, no person or company shall trade in a security on their own account or on behalf of any other person or company if the trade would be a distribution of the security.
- [168] Like the registration requirement discussed above, the prospectus requirement is a cornerstone of Ontario's securities regulatory regime. The requirement is an important one because it seeks to ensure that investors are properly equipped to assess the risks of an investment and to make an informed investment decision.⁵³
- [169] It is undisputed in this proceeding that:
- a. MGMIC traded in its own securities;
 - b. the trades were in previously unissued securities, and were therefore distributions (as defined in s. 1(1) of the Act);
 - c. no prospectus was filed or receipted; and
 - d. Ben and Payam, through their activities, engaged in acts in furtherance of the trades (including as set out in paragraphs [151] to [153] above), and would therefore be equally subject to this provision.
- [170] Each of the essential elements of a contravention of s. 53(1) of the Act has therefore been established. It remains to be determined whether MGMIC was entitled to an exemption.
- [171] An issuer that purports to make an exempt distribution is required to file with the Commission a Form 45-106F1 *Report of Exempt Distribution*. When properly completed, that form discloses details of any exempt distribution, including the exemption on which the issuer relies. MGMIC filed some reports of exempt distribution, although none was filed before April 1, 2015.
- [172] In closing submissions, the Remaining Respondents assert four possible exemptions, which we will address in turn. Before doing so, we note that an issuer that purports to rely on an exemption bears the burden of demonstrating that it is entitled to the claimed exemption.⁵⁴

⁵³ *Limelight Entertainment Inc (Re)*, 2008 ONSC 4, (2008) 31 OSCB 1727 at para 139

⁵⁴ *Meharchand* at para 95

2. Private issuer exemption

- [173] For its first two distributions during the Material Time (in August 2014),⁵⁵ MGMIC purported to rely on the “private issuer exemption” provided for in s. 73.4(2) of the Act. In order to qualify for that exemption, MGMIC had to meet the definition of “private issuer” set out in s. 2.4(1) of National Instrument 45-106 *Prospectus Exempt Distributions* (**NI 45-106**). Specifically, MGMIC had to have distributed its securities only to persons listed in s. 2.4(2.1) of NI 45-106 (e.g., a director, officer, employee, founder or control person of the issuer, or persons who are related to any of those, or who are close personal friends or close business associates of any of those).
- [174] For MGMIC’s third distribution during the Material Time (in October 2014), MGMIC purported to rely on a different exemption. Staff submitted, and the Remaining Respondents did not contend otherwise, that once an issuer that previously relied on the private issuer exemption distributes its securities to a person not listed in s. 2.4(2.1) of NI 45-106, that issuer becomes disentitled to the private issuer exemption for future distributions. This is so even if the subsequent distributions are made in reliance on another exemption. In this respect, we agree with and adopt the language to this effect contained in s. 3.6(5) of the Companion Policy to NI 45-106 (**45-106CP**).
- [175] Despite the fact that MGMIC was no longer entitled to the private issuer exemption, it made 25 subsequent distributions in respect of which it purported to rely on that exemption. These distributions, which raised more than \$1.1 million, included two distributions in December 2014, one in February 2015, and the remaining 22 between March 2015 and June 2015. That last group of 22 distributions came after a total of ten distributions during the Material Time that purported to rely on other exemptions.
- [176] Even if MGMIC was still entitled to the private issuer exemption in respect of the above-mentioned distributions, Staff submitted, and again the Remaining Respondents did not dispute, that MGMIC failed to adduce any evidence that the investors to whom the distributions were made were included in the list set out in s. 2.4(2.1) of NI 45-106. We therefore conclude that MGMIC failed to meet the burden of demonstrating that it is entitled to the private issuer exemption.

3. Friends, family and business associates exemption

- [177] For 170 distributions from July 2015 to April 2017, totaling more than \$7.1 million, MGMIC claimed entitlement to the “friends, family and business associates” exemption (**FFBA exemption**) provided for in s. 2.5(1) of NI 45-106. That exemption is available when the distribution is to a person listed in that subsection (e.g., specified family members, close personal friends, and close business associates). None of the impugned distributions was to a specified family member; accordingly, the relevant elements of that list are a close personal friend, or a close business associate, of a director, executive officer or control person of MGMIC.
- [178] Staff submits that few or none of the investors to whom distributions were made in reliance on the FFBA exemption qualified as close personal friends or close business associates.

⁵⁵ Exhibit 91, List of distributions

- [179] The Remaining Respondents' only submission in response is that the majority of MGMIC's investors qualified for the purposes of the exemption because they "were drawn from Ben's friends made through his membership in Landmark [Education]".⁵⁶
- [180] According to Ms. Ghaffari, Ben was "heavily involved" in Landmark Education, an organization that provides motivational seminars.⁵⁷ Payam testified that Ben's role with Landmark Education "led him to have a huge number of people he's done business with and became friends with."⁵⁸
- [181] For the purposes of the FFBA exemption, it is not enough merely to have done business with someone, or to call someone a friend.
- [182] Staff submits, and we agree, that we should adopt the guidance set out in s. 2.7 and 2.8 of 45-106CP, which provide, respectively, that:
- a. for an individual to qualify as a "close personal friend", that person must know the director, executive officer or control person well enough, and must have known them for long enough, to be able "to assess their capabilities and trustworthiness and to obtain information from them with respect to the investment"; and
 - b. for an individual to qualify as a "close business associate", that individual must have had sufficient prior business dealings with the director, executive officer or control person, to make the same assessment as described above.
- [183] Staff further submits, and we agree, that we should adopt the guidance set out in s. 3.7 of 45-106CP, which explains that while there is no absolute limit on the number of investors in respect of whom an issuer may rely on the FFBA exemption, a larger number of such persons will be more likely to give rise to a presumption that not all of the investors qualify. In this regard, we recall Payam's description of the "huge number" of people with whom Ben had done business, and whom Ben called friends.
- [184] In our view, the number of investors in this case in respect of whom the FFBA exemption is claimed, when combined with Ms. Ghaffari's and Payam's evidence about the connection between the investors and Ben, is sufficient to raise the presumption that many of the investors did not qualify as close personal friends or close business associates.
- [185] Even if that presumption did not apply, we cannot accept the Remaining Respondents' assertion that all of the individuals qualified. Payam gave no specific evidence in support of that assertion, beyond the general statement quoted above. The Remaining Respondents neither called any investors as witnesses, nor adduced any other evidence in support of the assertion.
- [186] Further, two of the four investor witnesses who testified at the hearing (S.B. and A.P.), and in respect of whom the FFBA was claimed, said that they had never met either Ben or Payam before investing. The evidence was not clear as to which exemption the Remaining Respondents relied on in respect of investor

⁵⁶ Remaining Respondents' Closing Submissions dated June 19, 2019, at para 159

⁵⁷ *Hearing Transcript*, January 7, 2019, at 93

⁵⁸ *Hearing Transcript*, March 4, 2019, at 120, beginning at line 26

R.P., who also testified that he had never met Ben or Payam before investing. As we noted above, the investors' evidence was credible and was not challenged on cross-examination. We accept it.

- [187] We therefore conclude that each of the distributions made in reliance on the FFBA exemption was made without the benefit of that exemption.

4. Accredited investor exemption

- [188] For seventeen distributions between December 2014 and January 2017, which raised over \$1.7 million, MGMIC purported to rely on the "accredited investor exemption" provided for in s. 73.3(2) of the Act. In order for an issuer to claim the benefit of that exemption in respect of a distribution, the investor must qualify as an "accredited investor" as that term is defined in s. 1.1 of NI 45-106. For the purposes of this proceeding, the relevant elements of that definition are clauses (j) through (m), which set out various income and asset tests.
- [189] The Remaining Respondents submit that with respect to these seventeen distributions, it was appropriate for MGMIC to rely, as Payam testified that it did, on the declarations of the investor that she/he was an accredited investor. The Commission has rejected this position on numerous occasions, holding that the burden lies on the issuer to ensure that its distributions comply with applicable law, and that the issuer cannot simply rely on an investor's certification without further investigation:

Reasonable diligence demands that the seller conduct a serious factual inquiry in good faith before accepting a prospective subscription, which includes a duty to look behind the boilerplate language of a subscription agreement.⁵⁹

- [190] Staff submitted, and the Remaining Respondents did not seriously dispute, that MGMIC adduced no evidence to demonstrate that it satisfied this obligation. We accept Staff's submission. We conclude that MGMIC has failed to establish that it was entitled to the benefit of the accredited investor exemption in respect of any of the distributions.

5. Minimum amount exemption

- [191] Staff's evidence regarding MGMIC's purported exempt distributions establishes that five distributions were made in reliance on the "minimum amount exemption" set out in s. 2.10 of NI 45-106. For an issuer to be entitled to that exemption, the distribution cannot be to an individual, and must be in an amount not less than \$150,000, paid in cash at the time of the distribution.
- [192] Three of the five distributions were in amounts less than \$150,000. Payam explained that at the time, he misunderstood the requirement. Nonetheless, we conclude that MGMIC was not entitled to the benefit of the minimum amount exemption in respect of those three distributions.

⁵⁹ *York Rio Resources Inc (Re)*, 2013 ONSC 10, (2013) 36 OSCB 3499 at paras 109-110; *MRS Sciences* at para 189; *Meharchand* at para 101

6. Legal advice defence

[193] Payam testified that in relying on the various exemptions, MGMIC sought legal advice from three law firms.

[194] Staff submits that this fact cannot assist the respondents, because:

- a. legal advice can be relevant to the determination of whether a breach has occurred only where a due diligence defence is available; no such defence is available in response to an allegation that a respondent has distributed securities without a prospectus;⁶⁰ and
- b. in any event, such legal advice as there may have been was given to MGMIC, which did not participate in this hearing and which has never waived privilege over legal advice it received; accordingly, there was no admissible evidence as to the content of that advice.

[195] We agree. Therefore, for the purposes of the merits hearing and this decision, we must disregard the Remaining Respondents' assertion with respect to legal advice sought by MGMIC.

7. Conclusion as to distributions without a prospectus

[196] For the above reasons, we conclude that all distributions of shares by MGMIC during the Material Time were effected in violation of s. 53(1) of the Act, except for:

- a. the two distributions in August 2014, made in reliance on the private issuer exemption;
- b. one distribution made in reliance on the minimum amount exemption, where the distribution was to a person other than an individual, and the amount of the distribution was at least \$150,000; and
- c. one distribution made in reliance on the minimum amount exemption, about which there was no clear evidence as to the amount of the distribution.

[197] As we noted in paragraph [169] above, Ben and Payam engaged in acts in furtherance of these trades. Accordingly, all of MGMIC's illegal distributions represent contraventions of s. 53(1) of the Act by Ben and Payam as well.

[198] With respect to MGC, we reach the same conclusion as we did regarding the allegations of trading without being registered. While MGC played a role in the overall business, as the broker for all of MGMIC's loans, it does not follow that MGC was distributing shares of MGMIC. That allegation is dismissed.

E. Did the respondents engage in or participate in acts, practices, or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud?

1. Introduction

[199] We turn now to Staff's third principal allegation. Staff alleges that during the Material Time, the respondents engaged in various conduct relating to securities

⁶⁰ *Rezwealth Financial Services Inc (Re)*, 2013 ONSC 28, (2013) 36 OSCB 7446 at para 236

that they knew perpetrated a fraud on existing and potential investors in MGMIC, contrary to s. 126.1(1)(b) of the Act.

[200] The Commission has consistently held that fraud is “one of the most egregious securities regulatory violations.”⁶¹ Fraud causes direct harm to investors and undermines confidence in the capital markets.

[201] In this case, Staff alleges the following fraudulent misconduct by all of the respondents:

- a. a failure to disclose the true nature of MGMIC’s operations, controls and processes, including in particular a failure to:
 - i. fulfill the mandate of MGMIC’s Credit Committee;
 - ii. fulfill the mandate of MGMIC’s Investment Committee;
 - iii. qualify as a MIC under the *Income Tax Act*; and
 - iv. properly disclose who had control of MGMIC;
- b. a failure to abide by MGMIC’s lending parameters, policies and restrictions, by:
 - i. making undisclosed investments in third mortgages;
 - ii. investing in mortgages that exceeded the self-imposed limitations on size and concentration; and
 - iii. investing in imprudent mortgages, including mortgages in excess of appraised values; and
- c. diverting loan advances to the benefit of the respondents or companies under their control.

[202] The alleged frauds took place against a backdrop of MGMIC and MGC experiencing financial difficulty. MGMIC’s financial statements for the years ending May 31, 2015, and May 31, 2016, showed net losses of \$184,048 and \$101,951, respectively. MGC’s financial statements for the year ending December 31, 2016, showed a net loss of \$29,165. In an email to Ms. Ghaffari on February 29, 2016, Ben said: “I don’t know how [we] are going to pay our bills this month unless [there is] money... coming [in] that I am not aware [of].” Ms. Ghaffari testified at the hearing that MGMIC and MGC were in crisis, in that they were unable to pay their expenses on a day-to-day basis.

[203] At the time that the receiver was appointed over MGMIC, the company had approximately \$164,000 in its bank accounts, and had approximately \$11.2 million in preferred shares outstanding. At that time, most of the loans in MGMIC’s portfolio were in default.

⁶¹ *Al-Tar* at para 214, quoting David Johnston & Kathleen D Rockwell, *Canadian Securities Regulation*, 4th ed (Markham: LexisNexis, 2007) at 420

2. Need for expert evidence

- [204] Before we consider the specific fraud allegations, we review the Remaining Respondents' submission that without expert evidence (which Staff did not lead on these points), we do not have the ability to assess:
- a. whether MGMIC's business was conducted in a manner that was riskier to investors than was represented to them;
 - b. even if so, whether the respondents should have known that certain loans were high-risk; or
 - c. whether MGMIC conducted appropriate due diligence regarding the loans on the Temiskaming property and the Birchmount property.
- [205] The Remaining Respondents rely on the decision of the Ontario Superior Court of Justice (Divisional Court) in *Hanif v College of Veterinarians of Ontario (Hanif)*, in which the Court held that "[e]xpert evidence is generally required in order to establish the relevant standard of practice of the profession".⁶² However, the issue in *Hanif* was not whether the panel could make a decision without the benefit of expert evidence; rather, the Court's comment was in response to the appellant veterinarian's complaint that the Discipline Committee panel did in fact use an expert. The Court upheld the panel's ability to rely on an expert and to determine what weight to assign to the expert's opinion.⁶³
- [206] The Remaining Respondents also rely on a decision by the Divisional Court that a Discipline Committee of the Association of Professional Engineers of Ontario, not all of whose members were engineers, was not entitled to consider whether the standard of practice had been met by a professional engineer regarding structural engineering in the agricultural sector.⁶⁴ As in *Hanif*, the issue was whether an individual met a professional standard of practice. We agree with Staff's submission that no such issue arises in this proceeding.
- [207] The Remaining Respondents further rely on a decision by the Divisional Court that a hearing officer of the Ontario Civilian Commission on Police Services erred in purporting to take judicial notice of the combined effects of alcohol and Percocet.⁶⁵ That case is of no assistance here. The decision followed explicit authority from the Court of Appeal that while judicial notice may be taken of the fact that alcoholic spirits can be intoxicating, a similar conclusion cannot be reached with respect to various pills or narcotic substances.
- [208] In summary, none of these authorities supports the Remaining Respondents' submission that expert evidence was needed to support Staff's fraud allegations.
- [209] Specialized tribunals such as the Commission may draw on their own expertise. As a general matter, it is for a tribunal to determine whether it needs the assistance of an expert.⁶⁶ Concerns about the need for expert evidence typically arise in the context of a criminal trial with a jury, or in other cases where the decision-maker is unable to formulate the necessary inference. Where, on

⁶² 2017 ONSC 497 at para 88

⁶³ *Hanif* at para 91

⁶⁴ *Katsoulakos v Association of Professional Engineers of Ontario*, 2014 ONSC 5440

⁶⁵ *McCormick v Greater Sudbury Police Services*, 2010 ONSC 270 at paras 129-132

⁶⁶ *Sutton (Re)*, 2018 ONSC 42, (2018) 41 OSCB 6675 at para 153

proven facts, the decision-maker can reach its own conclusions without assistance, no expert opinion is necessary.⁶⁷

[210] Staff's allegations that the respondents failed to disclose the true nature of MGMIC's operations, controls and processes require us to examine the respondents' statements from the perspective of an investor. We are not measuring the respondents' conduct against a professional standard; rather, we are considering whether a reasonable investor would have been misled, and whether the respondents complied with their own promises. Those issues are squarely within the expertise of this tribunal.

3. Analysis

[211] We will address each of Staff's fraud allegations in turn below, following a review of the relevant law.

(a) Law regarding fraud

[212] It is well established that the elements of fraud under the Act are:

- a. the *actus reus*, or objective element, which must consist of:
 - i. an act of deceit, falsehood, or some other fraudulent means; and
 - ii. deprivation caused by that act; and
- b. the *mens rea*, or subjective element, which must consist of:
 - i. subjective knowledge of the act referred to above; and
 - ii. subjective knowledge that the act could have as a consequence the deprivation of another.⁶⁸

[213] Clause 126.1(1)(b) of the Act prohibits acts "of deceit, a falsehood or some other fraudulent means". An act is of deceit or is a falsehood if the person who committed it "as a matter of fact, represented that a situation was of a certain character, when, in reality it was not." The third category, "other fraudulent means", includes acts that a reasonable person would consider to be dishonest, such as "non-disclosure of important facts,... unauthorized diversion of funds, and unauthorized arrogation of funds or property."⁶⁹

[214] The second component of the *actus reus*, deprivation, is satisfied on proof of actual loss to one or more investors, actual prejudice to investors' economic interests, or even the risk of prejudice to those interests.⁷⁰ Given that a mere risk of prejudice is sufficient to establish a fraud allegation, then as long as there is a sufficient causal connection between the fraudulent act and the risk of deprivation,⁷¹ Staff need not prove that investors actually relied on the misleading statements. In this regard, we reject the Remaining Respondents' submission that reliance is an essential element of the *actus reus* of fraud.

⁶⁷ *R v Abbey*, [1982] 2 SCR 24 at 42

⁶⁸ *R v Thérout*, [1993] 2 SCR 5 at 27 (**Thérout**), cited in *Richvale Resource Corp (Re)*, 2012 ONSC 13, (2012) 35 OSCB 4286 at para 102; *Meharchand* at para 119

⁶⁹ *Thérout* at para 18; *Meharchand* at para 120

⁷⁰ *Thérout* at para 16-17; *Quadrex Hedge Capital Management Ltd. (Re)*, 2017 ONSC 3, (2017) 40 OSCB 1308 at para 21; *Meharchand* at para 121

⁷¹ *R v Riesberry*, 2015 SCC 65 at para 22

- [215] In order to establish *mens rea* (i.e., the necessary subjective element) for a finding under clause 126.1(1)(b) of the Act, Staff must show that the respondent who has allegedly committed the offence “knows or ought reasonably to know” that the conduct involved perpetrates a fraud. As the Supreme Court of Canada has held in the context of a criminal case, the “accused must have subjective awareness, at the very least, that his or her conduct will put the property or economic expectations at risk.”⁷²
- [216] The Court further stated that “where the accused tells a lie knowing others will act on it and thereby puts their property at risk, the inference of subjective knowledge that the property of another would be put at risk is clear.”⁷³
- [217] It is no answer for a person accused of fraud to maintain that they did not think the acts were wrong, or that they hoped that no deprivation would occur.⁷⁴

(b) Fraud effected by way of false or misleading statements in promotional materials and in MGMIC’s offering memoranda

- [218] Before turning to consider the specific fraud allegations, some general comments are in order.
- [219] Full, true and plain disclosure of all material facts has long been held to be a cornerstone of securities regulation.⁷⁵ In *Philip Services Corp. (Re)*, the Commission stated:
- Disclosure is the cornerstone principle of securities regulation. All persons investing in securities should have equal access to information that may affect their investment decisions.⁷⁶
- [220] Disclosure is fundamental to the fairness of Ontario’s capital markets and to the protective mandate of the Act. However, that disclosure must be accurate and complete to be meaningful.⁷⁷ Accurate and complete public disclosure allows investors to assess the risks involved with making an investment, and serves to level the playing field between investors.⁷⁸
- [221] In *Rex Diamond Mining Corp. (Re)*, the Commission held that the burden rests on the company to broadly disclose information to the public. It should not be necessary for individual shareholders to make specific inquiries in order to find out information that should be disclosed.⁷⁹ The policy of equal access to

⁷² *Thérout* at para 29; *Meharchand* at para 122

⁷³ *Thérout* at para 29; *Meharchand* at para 123

⁷⁴ *R v Drabinsky*, [2009] 242 CCC (3d) 449 (ON SC) at para 473, cited in *Meharchand* at para 124

⁷⁵ *Cornish v Ontario (Securities Commission)*, 2013 ONSC 1310 (CanLII) (Div Ct) (**Cornish**) citing *Ontario Securities Commission and Brigadoon Scotch Distributors (Canada) Ltd. (Re)*, [1970] 3 OR 714 (HCJ) at 717. This language was adopted by the majority in *Pacific Coast Coin Exchange of Canada Ltd. v. Ontario (Securities Commission)*, [1978] 2 SCR 112 at 126.

⁷⁶ *Philip Services Corp. (Re)* (2006), 29 OSCB 3971 (**Philip Services**) at para 7

⁷⁷ *Cornish* at para 38 citing *Philip Services* at para 7

⁷⁸ *Sino-Forest Corporation (Re)*, 2017 ONSC 27, (2017) 40 OSCB 6291 at para 1124, citing *Advanced Technologies Corp (Re)*, 2008 ONSC 3, (2008) 31 OSCB 712 at para 198

⁷⁹ *Rex Diamond Mining Corp. (Re)*, 2008 ONSC 18, (2008) 31 OSCB 8337 at para 263

information that is reflected in the disclosure requirements under the Act has been characterized as the “most fundamental principle of securities regulation.”⁸⁰

- [222] When an issuer tells prospective and actual investors how funds raised will be invested, the issuer has considerable latitude in deciding what constraints to subject itself to, unless such constraints are specifically prescribed by applicable law. Subject to any prescribed legal constraints, an issuer may reserve for itself the ability to exercise wide discretion as to how funds will be deployed. Alternatively, the issuer may explicitly impose strict limitations on the use of funds.
- [223] Once the issuer makes that choice, however, the choice is binding. The disclosure must be true; it must also not be misleading. Non-disclosure of material facts is sufficient to satisfy the *actus reus* element of fraud.⁸¹
- [224] The Remaining Respondents submit that they were not required to comply strictly with representations and commitments made in MGMIC’s offering memoranda. In making this submission, the Remaining Respondents contend that the offering memoranda contain two types of representations: (i) MGMIC’s “investment policies, practices and restrictions”, and (ii) general descriptions of MGMIC’s business. We consider each of these in turn.
- [225] The section of the offering memoranda that is headed “Investment Policies, Practices and Restrictions” includes the following:
- a. MGMIC would maintain “at least 50% of its portfolio in mortgages secured on Canadian residential real estate and in short term deposits”;
 - b. “investments are made only when recommended by the Manager and approved by the Credit Committee”;
 - c. MGMIC “does not invest in any mortgage or make any investment that would result in its failure to qualify as a Mortgage Investment Corporation as defined in the Income Tax Act”;
 - d. MGMIC “does not loan money to... non-arm’s length parties”; and
 - e. MGMIC’s “investment policies, practices and restrictions set out above may be amended... from time to time by unanimous approval of [MGMIC’s] Board of Directors.”⁸²
- [226] Even though the Remaining Respondents described MGMIC’s investment policies, practices and restrictions set out above as “mandatory”,⁸³ the Remaining Respondents rely on the language quoted in paragraph [225](e) above in support of their submission that the investment policies, practices and restrictions were subject to change at MGMIC’s discretion and without limitation. We do not accept this submission. The quoted language merely describes the authority to make a change. It does not relieve MGMIC of its disclosure obligations to investors, including the obligation to give investors proper notice of planned changes.

⁸⁰ *Cornish* at para 40, citing *Cartaway Resources Corp. (Re)*, [2000] BCSCD No 92 (BCSC) at para 216

⁸¹ *Théroux* at para 18

⁸² Exhibit 5, Offering Memorandum dated August 1, 2014, at 11

⁸³ *Hearing Transcript*, June 27, 2019, at 131

- [227] Similarly, we cannot accept the Remaining Respondents' submission that representations that were contained in the offering memoranda but that were outside the "Investment Policies, Practices and Restrictions" section, merely constituted a description of how the business was to be operated, were "not mandatory", and therefore allowed "more scope for change"⁸⁴ without notice to investors.
- [228] For example, the explicit statement that "approximately 85% [of MGMIC's investments] will be secured by second mortgages with the balance by first mortgages" is outside the investment policies, practices and restrictions section, but it unambiguously excludes the possibility that MGMIC will invest in third mortgages. No reasonable investor would see that statement as a casual and non-binding description of how the business was to be operated. In our view, that commitment is no less "mandatory" than those listed in paragraph [225] above.
- [229] In summary, we do not distinguish between those commitments that are found within the investment policies, practices and restrictions section, and those that are elsewhere in the offering memoranda. The conclusions proposed by the Remaining Respondents would be fundamentally at odds with the nature of an offering document.
- [230] Finally, we reject the Remaining Respondents' invitation to give significant weight to warnings contained in the offering memoranda to the effect that investment in MGMIC was speculative and risky. Such warnings do not absolve an issuer from complying with representations and commitments it makes in those offering memoranda.
- [231] We will now examine each of the alleged failures to comply with statements made in the offering memoranda, as well as in MGMIC's promotional materials.

(c) Failure to disclose the true nature of MGMIC's operations, controls and processes

i. Failure to fulfill the mandate of MGMIC's Credit Committee

- [232] Staff alleges that the respondents represented to investors that MGMIC would make investment decisions (including decisions relating to loans, borrowings, acquisitions and dispositions) only if recommended by MGC and approved by MGMIC's Credit Committee. That committee was to meet as required and no less frequently than quarterly.
- [233] Staff alleges that the Credit Committee did not meet as required and that it did not review and approve many of MGMIC's investments. Staff submits that MGMIC made numerous investment decisions without the involvement of Ms. Ghaffari, who was the head of the Credit Committee.
- [234] The Remaining Respondents submit, and we agree, that as a practical matter, the Credit Committee "met" frequently. Its only members were Ben and Ms. Ghaffari, and there is no dispute that the two of them spoke very often, typically one or more times daily. While better practice would include minutes that record the required discussions and approvals, and while in this case there

⁸⁴ *Hearing Transcript*, June 27, 2019, at 131

are no such minutes, we do not find that the non-existence of any minutes requires the conclusion that the Credit Committee did not meet.

[235] However, even if it could be said that the Credit Committee met frequently, we are unable to find that Ms. Ghaffari was involved in approving all of MGMIC's lending decisions, as we explained above, concluding at paragraph [97]. We therefore accept Staff's submission that at least in some instances, the Credit Committee did not operate in the way that was set out in the offering memoranda. As a result, there was no proper substantive review of some of the loan applications.

ii. Failure to fulfill the mandate of MGMIC's Investment Committee

[236] The respondents represented to investors that MGMIC established an Investment Committee to, among other things, adjudicate and advise on transactions involving potential conflicts of interest, and approve or reject investments in mortgages that might adversely affect MGMIC's status as a MIC. The Investment Committee's two members were Ben and Ms. Ghaffari.

[237] Staff alleges that the following transactions (the Related Party Loans) were non-arm's length, either because they were loans to Ben or Payam, or because they were loans to other individuals or corporations related to MGMIC:

- a. *to Payam* – in January 2015, a loan of \$82,500 regarding Heron Hollow (referred to beginning at paragraph [86] above);
- b. *to Ben* – in April 2015, \$500,000 secured by a third mortgage on 133 Boake Trail and a collateral mortgage on 11 King High Drive;
- c. *to Atlas Capital Corporation*, of which Mr. Ricci was a director and officer – in August 2015, a loan of \$665,000 regarding Palace Pier (see paragraph [89] above), which Ben listed in court filings as Mr. Mohammed's address;
- d. *to Alijan Alijanpour* – in October 2015, a loan of \$650,000 secured by a second mortgage on 23 Thornridge Drive, a property that Ben advised Ms. Ghaffari was being held for Mr. Missaghi so that Mr. Missaghi could carry out a power of sale and recover funds owing to him;
- e. *to Enigma Land Ltd.*, of which Payam was a director – in November 2015, a loan of \$320,000 secured by a second mortgage on 4342 Steeles Avenue, which was owned by Mr. Missaghi;
- f. *to World Properties Corporation*, which was controlled by Mr. Mohammed (according to Ben's statement to Staff) or Mr. Missaghi (according to Ben's statement to Ms. Ghaffari) – in December 2015, a loan of \$700,000 secured by a second mortgage on a retail commercial plaza;
- g. *to Canadian Land Corporation*, which MGMIC has stated was controlled by what it described as "the Missaghi gang", and of which Mr. Missaghi was a director – in February 2016, a loan of approximately \$2.7 million secured by a first mortgage on a property in Timmins;
- h. *to Mansteel New Liskeard Inc. (Mansteel)*, of which Ben's father-in-law was a director – in June and July 2016, loans totalling approximately \$3.9 million, which were guaranteed by Ben's father-in-law, and which were

secured by first and second mortgages over a property in Temiskaming that Payam testified Messrs. Missaghi and Mohammed and another individual were “in charge of”;⁸⁵

- i. *to 245 Ltd.*, one of Payam’s numbered companies (see paragraph [23] above) – in September 2016, a loan of \$282,500 secured by a second mortgage on 293 Euclid Avenue, a residential property in Toronto;
- j. *to Ben* – in March 2017, a loan of \$1 million secured in the same fashion as the April 2015 loan in (b) above, *i.e.*, a third mortgage on 133 Boake Trail and a collateral mortgage on 11 King High Drive;
- k. *to 254 Inc.*, one of Payam’s numbered companies (see paragraph [23] above) – in May 2017, a loan of \$611,000 secured by a second mortgage on 558 Dovercourt Road, a residential property in Toronto; and
- l. *to World Finance Corporation (World Finance)*, Mr. Missaghi’s company – in November 2017, a loan of \$1.6 million secured by an interest in a third mortgage on the Birchmount property.

[238] Each of these loans was to Ben, Payam, Mr. Missaghi or Mr. Mohammed, or to corporations controlled by them. Given our finding that Messrs. Missaghi and Mohammed exercised considerable control over MGMIC, it follows that each of these Related Party Loans presented a conflict of interest.

[239] With respect to the two instances where Staff submits that Ben had a conflict of interest (*i.e.*, the loans identified in (b) and (j) above), Payam testified that in his view, as long as the offering memoranda disclosed that MGMIC directors could borrow funds from MGMIC, and as long as such transactions were later disclosed in MGMIC’s financial statements, no conflict of interest existed. We disagree. The conflict existed, whether it was disclosed or not.

[240] Staff alleges that the failures to comply with the commitment regarding the Investment Committee arose in one of two ways: (i) where Ms. Ghaffari did not approve a Related Party Loan, or (ii) where Ben approved a Related Party Loan in respect of which he was in a conflict of interest.

[241] As was the case with the Credit Committee, we accept the Remaining Respondents’ submission that because Ben and Ms. Ghaffari spoke so frequently, we cannot find that the Investment Committee did not meet. However, there are no minutes or other evidence to show that the committee considered everything it was required to. We repeat our conclusion, stated above, that Ms. Ghaffari was not involved in approving all of the Related Party Loans. We therefore accept Staff’s submission that at least in those instances, the Investment Committee did not operate in the way that was set out in the offering memoranda.

[242] The Remaining Respondents submit that because the offering memoranda contemplated that conflicts might not always be resolved in favour of investors, it cannot be said that the respondents failed to comply with their obligations in this regard. We disagree. MGMIC’s by-laws explicitly prohibited directors or officers who had a material interest in a transaction from voting on any resolution to approve the transaction. Both Ben (in his statements to Staff) and

⁸⁵ *Hearing Transcript*, March 8, 2019, at 11-12

Ms. Ghaffari (in her testimony before us) stated that the Investment Committee did nothing at any time.

- [243] The investors were promised, and were entitled to assume, that the Investment Committee would abide by its obligations and follow its process, by which unconflicted members of the committee would turn their mind to the relevant issues. In our view, it is at least misleading, if not bad faith, to ignore the process completely.
- [244] We conclude that in all of these instances, the Investment Committee failed to operate as required.

iii. Failure to qualify as a MIC under the Income Tax Act

- [245] In the offering memoranda, MGMIC represented to investors that it would at all times conduct its affairs so as to qualify as a MIC. While MGMIC did warn that there could be no assurance that it would be able to meet the MIC qualifications at all material times, MGMIC represented that its directors would use their best efforts in this regard.
- [246] This was an important selling point for MGMIC. Maintaining status as a MIC would ensure that shares of MGMIC would be qualified investments for the purpose of registered retirement savings plans, deferred profit-sharing plans, registered retirement income funds and registered education savings plans. MGMIC also represented that it operated as a tax-free flow-through conduit of profit to its preferred shareholders, most of whom invested through registered accounts.
- [247] MGMIC did not qualify as a MIC until mid-2016 at the earliest. MGMIC's audited financial statements for the years ending as at May 31, 2015, and May 31, 2016, disclosed this fact. MGMIC did not produce audited financial statements for the following year, despite the requirement that such statements be produced in order to qualify as a MIC.
- [248] The failure to qualify jeopardized MGMIC's ability to pay returns to its investors and exposed them to adverse tax consequences.
- [249] The fact that MGMIC did not qualify as a MIC was noted in the financial statements. However, the statements for the year ending and as at May 31, 2015, were not issued until June 28, 2016, and the May 31, 2016, statements were not issued until September 30, 2016. As a result, the disclosure was not timely.
- [250] While we have concerns about the timeliness and effectiveness of the disclosure, the record on this point is insufficient for us to conclude that the respondents committed fraud, either through a failure to take adequate steps to ensure MGMIC's status, or through inadequate disclosure, or both.

iv. Failure to properly disclose who had control of MGMIC

- [251] Staff alleges that until May 30, 2016, the respondents represented to investors that Ben, Payam and Ms. Ghaffari were the directors and senior officers of MGMIC. The revised offering memoranda disclosed beginning May 30, 2016, after Ms. Ghaffari had left MGMIC, that Ben and Payam were the sole directors and senior officers.

- [252] Staff alleges that this disclosure was false, in that by no later than March 2016, MGMIC was controlled by Ben, Mr. Missaghi, and Mr. Mohammed. As we have explained above, we agree.
- [253] As Staff alleges, no disclosure was ever made to investors, through revised offering memoranda or otherwise, regarding this change in control. Accordingly, investors had no way of evaluating the management experience or qualifications of Messrs. Missaghi or Mohammed, and were therefore unable to make fully informed decisions about the potential risks of investing in MGMIC.

(d) Failure to abide by MGMIC's lending parameters, policies and restrictions

i. Undisclosed investments in third mortgages

- [254] Staff alleges that until January 2017, the respondents represented to investors that loans by MGMIC would be limited to certain specified types of mortgages. These permitted loans included first and second mortgages but did not include third mortgages. The offering memoranda stated that approximately 85% of MGMIC's investments would be secured by second mortgages, with the balance secured by first mortgages.
- [255] A revised offering memorandum dated January 31, 2017, contemplated investment in third mortgages "where the equity in a property, relative to amounts owing under prior mortgages, and/or additional collateral provided are sufficient security for the Corporation's mortgage investment."⁸⁶ However, Staff alleges, and the Remaining Respondents concede, that before that change, MGMIC did invest in a third mortgage loan to Ben on 133 Boake Trail (see paragraph [237](b) above).
- [256] Staff alleges that by investing in third mortgages, MGMIC used investor funds in a manner contrary to the limitations set out in the offering memoranda and thereby exposed the investors to greater risk.
- [257] On cross-examination, Payam testified that the risk is greater where the lender is the second or third mortgagee, and another lender holds the higher priority mortgage(s). We agree. Indeed, it is evident from the limiting language quoted in paragraph [255] above that MGMIC had that view at the time.
- [258] We find that MGMIC, by investing in the third mortgage, failed to abide by the lending parameters, policies and restrictions set out in the offering memoranda in effect at the time.
- [259] We note also that, as Staff submits, the third mortgage granted on the Richmond Hill Property brought the total mortgages on that property to almost \$2.3 million, thereby causing the loan-to-value ratio for that property to exceed 100%, given the property's appraised value of \$2.15 million. While MGMIC purported to take additional collateral for this mortgage, in the form of security on a property owned by Ben in Vaughan, Staff alleges that this collateral was of no value to MGMIC, since the property was already funded by mortgages totalling approximately \$1.75 million, which exceeded its appraised value. We agree.

⁸⁶ Exhibit 49, Offering Memorandum revised January 31, 2017, at 10

ii. *Investments in mortgages that exceeded the self-imposed limitations on size and concentration*

- [260] Until January 2017, MGMIC represented in its offering memoranda that a “typical loan size” for MGMIC would range up to \$2 million. Promotional materials distributed by MGMIC stated that mortgage loans would range up to \$1 million.
- [261] MGMIC also promised that there would be concentration limits for its loans. In particular, a maximum of 35% of MGMIC’s assets would consist of mortgages on commercial and industrial properties, and at least half of MGMIC’s assets would consist of mortgages on “new, existing, proposed or in construction” residential properties.⁸⁷
- [262] The offering memoranda also represented to investors that MGMIC had “established a policy that limits its credit exposure to any one borrowing group.”⁸⁸ Ms. Ghaffari testified that there was no such policy, and the respondents did not adduce evidence of the existence of such a policy.
- [263] Staff alleges that MGMIC did not abide by these representations to investors. In particular, MGMIC exceeded the stated maxima:
- a. in early 2016, by advancing \$2,372,500 on the industrial property in Timmins referred to in paragraph [237](g) above; and
 - b. in June and July 2016, by lending approximately \$3.9 million on the industrial Temiskaming property referred to in paragraph [237](h) above.
- [264] By March 2017, those two loans alone made up over 60% of MGMIC’s portfolio, thereby exceeding the 35% limit for commercial and industrial properties. We cannot accept the Remaining Respondents’ submission that at least some portion of, if not all of, the Timmins and the Temiskaming properties were residential properties. The Remaining Respondents say this is so because when the loans were made there was a residential development planned, thereby bringing the properties within the word “proposed” referred to in the offering memoranda and in paragraph [261] above.
- [265] The only evidence in this respect was Payam’s assertion that a substantial portion of the Timmins property was “designated for residential development” because that is what Troy Wilson, a close associate of Mr. Missaghi’s, and the 1PLUS12 group were planning to do.⁸⁹ Payam’s hearsay evidence about Mr. Wilson’s untested hope does not rise to the necessary level to establish that any portion of the Timmins property was “proposed” to be residential. A reasonable investor would not include, within “residential property”, an industrial property that was not zoned to be residential and in respect of which there was not at least a formal application to allow the property to be used for that purpose.
- [266] With respect to the Temiskaming property, there was no evidence to support the Remaining Respondents’ submission that there were plans for a residential development there, let alone a formal proposal. The portion of Payam’s testimony that the Remaining Respondents cite in this regard relates only to the

⁸⁷ See, e.g., Offering Memorandum dated August 1, 2014, (Exhibit 5) at 8

⁸⁸ See, e.g., Offering Memorandum dated August 1, 2014, (Exhibit 5) at 10

⁸⁹ Hearing Transcript, March 8, 2019, at 61 lines 20-26

Timmins property and not to the Temiskaming property. Further, the appraisal obtained by MGMIC from Mr. Esposito describes the property type as “industrial manufacturing facility”, the zoning as “Legal, Non-Conforming Industrial Use (Rural)”, and the highest and best use of the property to be continuation “of its current industrial use until the site becomes economically feasible for redevelopment in accordance with the governing land use regulations.”⁹⁰

- [267] In addition, Staff alleges, and we agree, that these two loans of \$2.4 million and \$3.9 million were inconsistent with MGMIC’s description of the “typical” loan size being less than \$1 million (according to MGMIC’s promotional materials) or less than \$2 million (according to the offering memoranda). We reject the Remaining Respondents’ submission that because two loans represented a small fraction of the number of loans (*i.e.*, by counting the number of loans rather than focusing on the dollar amount of the loans), the representation regarding typical loans was complied with. While the representation was arguably true in a strictly literal sense, we find that it was substantively misleading to investors, in that it conveyed an inaccurate picture of the overall portfolio (*i.e.*, the two loans represented 60% of the portfolio) and fundamentally undermined what the investors bargained for.
- [268] Further, approximately 75% of the portfolio consisted of loans made to borrowers related to Mr. Missaghi. While MGMIC failed to establish a policy regarding concentration, as it had promised to do, we have no difficulty concluding that this level of concentration was inconsistent with what the reasonable expectations of investors would have been, given the promise to limit MGMIC’s exposure to any one borrowing group. The representation promised investors a diversified portfolio. MGMIC’s portfolio was not diversified.
- [269] We find that by making the two loans, MGMIC knowingly breached the promised limit regarding commercial and industrial properties and misled investors regarding typical loans. Those two loans, together with other loans in the portfolio, constituted a deliberate contravention by MGMIC of its representation regarding borrowing group concentration. In all these ways, MGMIC exposed investors to greater risk than had been disclosed and that they had agreed to assume in making their investment in preferred shares of MGMIC.
- iii. Investing in imprudent mortgages, including mortgages in excess of appraised values, and loan-to-value ratios exceeding maxima*
- [270] In the offering memoranda, MGMIC represented to investors that it would attempt “to minimize risk by being prudent in both its credit decisions and in assessing the value of the underlying real property offered as security.”⁹¹ In promotional materials that MGMIC prepared for potential investors, MGMIC explicitly set out “lending parameters”, including a maximum loan-to-value ratio of 85% on second mortgages, or 90% on bundled first and second mortgages, and a maximum mortgage amount of \$1 million.

⁹⁰ Exhibit 111, Appraisal re: 1107 Lakeshore Road South (Temiskaming Property) (***Temiskaming Appraisal***) at 4

⁹¹ See, *e.g.*, Offering Memorandum dated August 1, 2014, (Exhibit 5) at 9

[271] Staff cites five instances in which it alleges that MGMIC did not conduct appropriate due diligence, and/or where MGMIC made imprudent lending decisions.

(a) Timmins property

[272] The first instance is the Timmins property. Staff's concerns, which we address in turn, are as follows.

[273] First, MGMIC did not obtain any information about the ability of the borrower (Canadian Land Corporation) to pay the monthly interest payments of over \$24,000, or to repay the principal; nor did MGMIC obtain information about the creditworthiness of Mr. Wilson, who was the guarantor. We accept the Remaining Respondents' submission that for mortgages of this nature, the necessary comfort may be derived from the value of the property, rather than the borrower's creditworthiness. As we discuss below, however, we find that MGMIC had no reasonable basis to assess the value of the property.

[274] Second, Staff raised a concern regarding a condition contained in MGMIC's commitment letter to Canadian Land Corporation. That condition required that there be an appraisal reflecting a minimum value of \$3.65 million based on a maximum "marketing time" of 60 to 90 days. Staff submits, and we agree, that the appraisal that MGMIC obtained from Mr. Esposito did not meet this condition. In reaching that conclusion, we considered the following evidence:

- a. Ms. Ghaffari's testimony that marketing time is the time required, in the event of a default by the mortgagor, for a lender to sell the property and to recover the lender's investment; and
- b. the statement in Mr. Esposito's appraisal that "reasonable exposure time" (which the context makes clear is synonymous with "marketing time") is the:

estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.⁹²

[275] We accept that evidence, and we reject Payam's contrary suggestion that marketing time merely means the period during which a particular listing agreement would be valid. The logical connection between the appraised value of a property and the time that would be required to obtain that value is obvious. There is no logical connection between an appraised value and the length of one particular listing agreement, especially given that a listing agreement can be either renewed or extended indefinitely.

[276] We find that marketing time in the context of the MGMIC commitment letter means the time required to expose the property to market in order to sell it for close to its fair market value.

[277] Mr. Esposito's appraisal of the Timmins property concluded that the exposure time for that property would be "in the order of five years, assuming that the property is not sold as part of a portfolio and marketed in a professional

⁹² Exhibit 111, *Temiskaming Appraisal* at 8

manner.”⁹³ This qualification on the appraised value falls well short of the 60-to-90-day condition set out in the commitment letter. It renders the appraised value worthless for MGMIC’s immediate-term lending decisions, especially given MGMIC’s stated reliance on asset value for lending purposes. The respondents ought not to have relied on the appraisal.

- [278] Staff’s third concern regarding the Timmins property is that the appraisal obtained by MGMIC recommended an environmental audit, but none was obtained by MGMIC. We agree with Staff’s submission that it was imprudent to make the loan without doing so.
- [279] Fourth, in its promotional materials, MGMIC committed to make mortgage loans only where the loan-to-value ratio was no more than 85% on second mortgages and no more than 90% on bundled first and second mortgages. On cross-examination, Payam agreed that as the loan-to-value ratio increases, so does the risk. As discussed above, we find that the respondents were not entitled to rely on the appraisal obtained by MGMIC, which suggested a value of \$3,650,000. They therefore had no basis to conclude that they complied with their promised maximum loan-to-value ratio.
- [280] In summary, by lending on the Timmins Property, MGMIC violated its promise to follow prudent lending practices, because MGMIC failed to obtain an environmental audit, and because MGMIC relied on an appraisal that had as an essential underlying assumption a marketing time of five years, a period that is unsupportable, and that is significantly longer than the 60-90 day maximum called for in the commitment letter.

(b) Temiskaming Property

- [281] The second instance that Staff cites as being imprudent is the loan on the Temiskaming property. Staff identifies the following concerns.
- [282] First, Ben and Payam knew, before MGMIC took an assignment of the first mortgage, that the borrower Mansteel had defaulted on that mortgage, not having made any interest payments for nearly three years. MGMIC did not obtain any information about Mansteel’s ability to pay the monthly interest payments of over \$36,000, or to repay the principal; nor did MGMIC obtain information about the creditworthiness of Ben’s father-in-law, who was the guarantor but who had no economic interest in the property. Rather, Payam testified that he had relied on “new structures of individual shareholders”;⁹⁴ however, there was no evidence as to what these new structures were.
- [283] Once again, even if we accept the Remaining Respondents’ submission that for loans of this kind, the lender’s comfort as to the value of the property may obviate the need to be confident about the borrower’s ability to repay, the fact is that MGMIC had no reasonable basis to assess the value of the property. MGMIC’s commitment letter to Mansteel required that there be an appraisal reflecting a minimum value of \$4.63 million that could be achieved with a 365-day maximum marketing time. The appraisal that was delivered indicated that the property needed a marketing time of five years to sell at that price. For

⁹³ Exhibit 111, *Temiskaming Appraisal* at 8

⁹⁴ *Hearing Transcript*, May 14, 2019, at 132 lines 12-15

the same reasons as discussed above, this assumption easily disqualifies the appraisal as a basis for determining value for a prudent lender.

- [284] Payam also testified that he relied on an additional \$4 million, referring to funds held by the Ministry of the Environment and funds paid into court relating to environmental work performed by Mansteel. Staff submits that these funds were not available as security for repayment of Mansteel's debt to MGMIC. We agree.
- [285] Further, the appraisal recommended an environmental audit, but none was obtained by MGMIC. This is of particular concern with respect to Temiskaming, since Mansteel had been fined \$9,000 for environmental violations in connection with the property. We agree with Staff's submission that MGMIC's failure to obtain an environmental audit was inconsistent with the position that MGMIC followed prudent lending practices.
- [286] Finally, Staff notes that Payam did not visit the property. We do not regard this as requiring the conclusion that the loan was therefore imprudent.
- [287] In summary, by lending on the Temiskaming property, MGMIC violated its promise to follow prudent lending practices, because MGMIC failed to obtain an environmental audit, and because MGMIC relied on an appraisal that had as an essential underlying assumption a marketing time of five years, a period that is unsupportable, and that is significantly longer than the 365 day maximum called for in the commitment letter.

(c) Birchmount property

- [288] The third instance of imprudent lending cited by Staff is the Birchmount property.
- [289] By November 2017, Payam and Ben had advised Staff of their desire to wind up MGMIC, and MGMIC's shareholders had approved of a wind-up. Despite that, soon afterwards MGMIC committed to purchase an interest in a third mortgage on the Birchmount property, which mortgage was held by World Finance. As Payam acknowledged he knew at the time, Mr. Missaghi controlled World Finance.
- [290] MGMIC agreed to lend \$1.85 million to World Finance in return for a 30% interest in the third mortgage. Under this agreement, World Finance was to be responsible for all mortgage payments and fees.
- [291] By December 11, 2017, MGMIC had advanced \$1.6 million to World Finance. It did so even though:
 - a. the underlying security for the agreement was a third mortgage that had been in default for nine years and that had been granted by an owner who was bankrupt;
 - b. MGMIC did not require any personal guarantees to support the loan;
 - c. MGMIC did not obtain any evidence to support its reliance on World Finance to make the mortgage payments; and
 - d. MGMIC relied on an appraisal valuing the property at \$9.25 million, based on a condition that the property could be developed to include a senior citizens' apartment, a use that was not permitted by existing zoning restrictions.

- [292] As Staff notes, it subsequently became clear that the appraisal significantly overvalued the property, as is evidenced by the June 2018 approval of a sale of the property by a receiver, for \$3.45 million (about one third of the “appraised” value of \$9.25 million). As of the conclusion of the evidence portion of the merits hearing, MGMIC had not received any funds from the sale or recovered any amounts under its agreement with World Finance. Some proceeds remained following the disqualification of the first mortgagee and payment to the second mortgagee, but World Finance and a fourth mortgagee dispute MGMIC’s entitlement to any share of the proceeds.
- [293] The deficiencies cited above are serious. We find that they combine to require the conclusion that by making this loan, MGMIC violated its promise to follow prudent lending practices.
- [294] In reaching that conclusion, we reject Payam’s evidence that MGMIC was appropriately comfortable with the risk associated with the loan. Payam sought to explain that by advancing the funds to World Finance, MGMIC was enabling the 1PLUS12 investors to repay approximately \$1 million they owed to Ben in respect of other properties. Staff submits that we ought not to give any weight to Payam’s testimony on this point, because of his failure to make proper pre-hearing disclosure of his evidence (see the analysis beginning at paragraph [116] above). We do not find it necessary to resolve that issue, because we would reach the same conclusions even if we were to take Payam’s testimony into account.
- [295] With or without Payam’s testimony, it is clear to us that the loan had no legitimate economic purpose that was in the interests of all MGMIC shareholders. The loan may have served the interests of Ben and Payam, but it was imprudent for MGMIC.

(d) Loan-to-value ratios exceeding maxima on two properties

- [296] Finally, Staff notes that MGMIC exceeded the promised maximum loan-to-value ratio on the Heron Hollow property and on 293 Euclid Avenue. The actual loan-to-value ratios were 90% and 91% respectively, on second mortgages alone, without any bundled first mortgage. The ratios therefore exceeded the promised maximum of 85%.

(e) *Diverting loan advances to the benefit of the respondents or companies under their control*

- [297] Staff’s final fraud allegation is that the respondents improperly diverted MGMIC loan advances relating to two properties.
- i. The Temiskaming property: Diversion of \$435,196 to Ben’s Numbered Company*
- [298] Staff alleges that in January 2017, Ben arranged for the diversion of \$435,196 from the final \$445,000 advance to Mansteel regarding the Temiskaming property to go instead to his numbered company. Staff led the following evidence, which was not challenged, and which we accept:
- a. MGMIC advanced \$445,000 to its own solicitor;
 - b. MGMIC’s solicitor deducted fees and remitted the balance to Mansteel’s solicitor;

- c. Mansteel's solicitor remitted \$435,196 to Ben's Numbered Company; and
- d. both Ben and Payam took steps to effect these transfers.

[299] Payam testified that the funds were remitted to Ben's Numbered Company because Mansteel did not have a bank account.

[300] After Ben's Numbered Company received the funds, it made the following payments:

- a. \$100,007 to Canada Capital Corporation, a company related to Mr. Missaghi;
- b. two payments totaling \$208,874 to 245 Ltd. (which was 50% owned by Payam, and over which company's account both Ben and Payam had signing authority);
- c. \$13,326 to Ben in cash; and
- d. \$116,007 to C&K Mortgage Services, with a notation saying "High Point Missaghi".

[301] Payam attempted to justify these payments, including by explaining that Ben's father-in-law guaranteed the loan and was added as a director of Mansteel, to ensure that payments on the mortgage were made as required. Payam's testimony on this point was not cogent, and we were left with no convincing explanation as to how the significant payments to the parties mentioned above were made for legitimate reasons in the interests of MGMIC's shareholders. We were similarly unconvinced by the Remaining Respondents' submission that the funds were available to be paid back to MGMIC, and that therefore it could not be said that the funds were not diverted.

[302] Accordingly, we find that MGMIC deliberately diverted these funds to Ben and Payam, and to entities in which they or the 1PLUS12 investors had a significant or controlling interest. We reject the Remaining Respondents' submission that Staff's choice not to call Messrs. Missaghi or Mohammed as witnesses precludes this finding. The uncontroverted evidence shows the flow of funds as described, and makes it more likely than not that MGMIC diverted the funds to the Remaining Respondents' benefit. The respondents failed to rebut that conclusion.

ii. The Birchmount property: Diversion of \$1.1 million to Ben

[303] Staff alleges that in December 2017, Ben diverted approximately \$1.1 million to himself from the \$1.6 million that MGMIC advanced regarding the Birchmount property. Staff led unchallenged evidence, which we accept, that establishes that on each of November 28, December 5 and December 6, 2017:

- a. MGMIC advanced \$400,000 to its solicitor;
- b. MGMIC's solicitor deducted the firm's fees and remitted the balance to World Finance's solicitor;
- c. World Finance's solicitor deducted that firm's fees and remitted the balance to a corporation of which Mr. Wilson (Mr. Missaghi's associate, referred to in paragraph [265] above) was the sole registered director and officer;

- d. that corporation transferred the funds to Ben's Numbered Company; and
- e. Ben's Numbered Company transferred part or all of the funds to Ben's personal account.

[304] As a result of the above transactions, Ben received \$1,115,000 into his personal account. Ben used the funds to repay his personal indebtedness to MGMIC in respect of the mortgages on Boake Trail and King High Drive referred to in paragraphs [237](b) and (j) above.

[305] In his testimony, Payam attempted to explain these transactions as a "solution" advanced by the 1PLUS12 group to repay an alleged \$1 million debt owed to Ben by the 1PLUS12 group. Once again, Payam's explanation was not cogent, and in any event it was not disclosed to Staff before the hearing, as a result of which we give it no weight, for the reasons set out in paragraphs [122] to [126] above.

4. Conclusion regarding Staff's fraud allegations

[306] In summary, we find that in circumstances when the respondents were experiencing significant financial pressure, MGMIC perpetrated frauds on MGMIC's investors, and thereby contravened s. 126.1(1)(b) of the Act when it:

- a. knowingly engaged in acts of deceit by failing to:
 - i. disclose that MGMIC's Credit Committee did not operate as promised in the offering memoranda;
 - ii. disclose that MGMIC's Investment Committee did not properly review and advise regarding transactions in which MGMIC had a conflict of interest;
 - iii. disclose that Messrs. Missaghi and Mohammed exercised considerable control over MGMIC;
 - iv. comply with MGMIC's commitment not to invest in third mortgages;
 - v. comply with the \$1 million maximum loan amount set out in MGMIC's promotional materials and the maximum "typical" loan amount of \$2 million specified in MGMIC's offering memoranda;
 - vi. establish and comply with a policy to limit MGMIC's exposure to one borrowing group; and
 - vii. comply with MGMIC's commitment to be prudent in its credit decisions and in assessing the value of underlying real property offered as security;

all of which were facts that would, as the respondents knew, have been material to investors; and
- b. thereby caused a deprivation to MGMIC's investors, in that they exposed the investors to greater risk than the investors had agreed to assume; and
- c. did so knowing that their conduct could result in the MGMIC suffering that deprivation.

- [307] We also find that MGMIC perpetrated frauds on its investors when, without proper authority, MGMIC deliberately diverted to Ben's and Payam's benefit portions of the advances on the Temiskaming property and the Birchmount property. We reject the Remaining Respondents' submission that the payments were not a "course of conduct relating to securities", and that they therefore fall outside the scope of s. 126.1 of the Act.
- [308] The diversion frauds consist of two inextricably intertwined elements: (i) the sale of securities to MGMIC shareholders on the strength of promises that the investors' funds would be used for a particular purpose; and (ii) the diversion, instead, of those funds to the benefit of Ben, Payam, and their related entities.
- [309] Finally, we find that Ben, Payam and MGC were inextricably wound up in all of MGMIC's frauds, and that Ben and Payam were fully knowledgeable about the extent of MGMIC's misconduct described above. They knew that by failing to comply with their disclosure and risk management obligations, they were exposing investors to greater risk than those investors had bargained for. Therefore, all three of the Remaining Respondents (*i.e.*, Ben, Payam and MGC) contravened s. 126.1(1)(b) of the Act, which brings within its scope those who "directly or indirectly... participate in" any conduct prohibited by that section.
- [310] Given these findings, it is unnecessary to address Staff's allegations that the respondents breached s. 122(1)(b) of the Act by making misleading or untrue statements in the offering memoranda. That conduct is subsumed within our findings with respect to the fraud allegations.

V. CONCLUSION

- [311] The full extent of the relationships among the four respondents, Messrs. Missaghi and Mohammed, 1PLUS12 and others was not made clear by the evidence in this hearing. However, that evidence did establish a mosaic that includes:
- a. the close relationships between the respondents and Messrs. Missaghi and Mohammed;
 - b. the considerable influence that Messrs. Missaghi and Mohammed exercised over MGMIC;
 - c. the large and late-in-the-day Related Party Loans; and
 - d. the various conflicts that were neither properly disclosed nor properly managed by Ben and Payam.
- [312] All of that led to investors in MGMIC making an investment that in material respects was different than what they had bargained for, and that led ultimately to the destruction of MGMIC's portfolio at the expense of the investors and for the benefit of Ben and Payam. The conduct shows a profound disregard by MGMIC for its investors, and a profound disregard by Ben and Payam of their duties as directors and officers of MGMIC.
- [313] Staff has established that:
- a. MGMIC, Ben and Payam were engaged in the business of trading in securities, contrary to s. 25(1) of the Act;
 - b. MGMIC, Ben and Payam contravened s. 53(1) of the Act as a result of their conduct associated with all of MGMIC's distributions of shares during

the Material Time, except for the four distributions referred to in paragraph [196] above; and

- c. contrary to s. 126.1(1)(b) of the Act, all four respondents perpetrated frauds on MGMIC's investors as described in paragraphs [306] and [307] above.

[314] Given our findings that Ben and Payam directly contravened the Act as described in the preceding paragraph, we need not address Staff's request that we find that Ben and Payam "authorized, permitted or acquiesced in" MGMIC's and MGC's misconduct, as contemplated by s. 129.2 of the Act.

[315] The parties shall contact the Registrar on or before January 10, 2020, to arrange a first attendance in respect of a hearing regarding sanctions and costs. That first attendance is to take place on a date that is mutually convenient, that is fixed by the Secretary, and that is no later than January 31, 2020.

[316] If the parties are unable to present a mutually convenient date to the Registrar, then each of Staff and the Respondents may submit to the Registrar, for consideration by a panel of the Commission, a one-page written submission regarding a date for the first attendance. Any such submission shall be submitted on or before January 10, 2020.

Dated at Toronto this 17th day of December, 2019.

"Timothy Moseley"

Timothy Moseley

"M. Cecilia Williams"

M. Cecilia Williams

"Lawrence P. Haber"

Lawrence P. Haber

APPENDIX H



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

22nd Floor
20 Queen Street West
Toronto ON M5H 3S8

22e étage
20, rue queen ouest
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Citation: Money Gate Mortgage Investment Corporation (Re), 2021 ONSEC 10
Date: 2021-04-01
File No. 2017-79

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

**REASONS AND DECISION ON SANCTIONS AND COSTS
(Subsection 127(1) and Section 127.1 of the *Securities Act*, RSO 1990, c S.5)**

Hearing: July 14 and 23, 2020

Decision: April 1, 2021

Panel:	Timothy Moseley M. Cecilia Williams Lawrence P. Haber	Vice-Chair and Chair of the Panel Commissioner Commissioner
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Appearances:	Dihim Emami	For Staff of the Commission
	James Camp	For Money Gate Corp., Morteza Katebian and Payam Katebian
	No one appearing for Money Gate Mortgage Investment Corporation	

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REASONS AND DECISION

I. OVERVIEW

- [1] Following a hearing on the merits, we found (in what we will describe as the **Merits Decision**)¹ that from August 2014 to December 2017, Morteza ("Ben") Katebian and his son Payam Katebian raised approximately \$11 million from more than 150 investors, by continuously selling preferred shares in Money Gate Mortgage Investment Corporation (**MGMIC**). In doing so, each of Ben, Payam² and MGMIC engaged in unregistered trading and effected illegal distributions of securities. We further found that MGMIC, Ben, Payam and Money Gate Corp. (**MGC**, a related mortgage brokerage firm) perpetrated fraud on MGMIC's investors, thereby contravening Ontario securities law.
- [2] At the sanctions and costs hearing in this proceeding, Staff of the Commission asked that:
- a. Ben, Payam, MGMIC and MGC be subject to permanent trading, acquisition and exemption bans, and that Ben and Payam be subject to permanent director and officer bans;
 - b. Ben, Payam and MGC each pay an administrative penalty of \$1,000,000;
 - c. Ben, Payam and MGC jointly and severally disgorge to the Commission \$11,009,571; and
 - d. Ben, Payam and MGC jointly and severally pay costs to the Commission of \$597,122.58.
- [3] For the following reasons, we find that it is in the public interest to order:
- a. the non-monetary sanctions requested, subject to limited carve-outs that we describe below;
 - b. that each of Ben and MGC pay an administrative penalty of \$750,000;
 - c. that Payam pay an administrative penalty of \$600,000;
 - d. that Ben, Payam and MGC jointly and severally disgorge to the Commission \$8,711,138; and
 - e. that Ben, Payam and MGC jointly and severally pay costs to the Commission of \$597,122.58.

II. PARTICIPATION IN THE HEARING

- [4] MGMIC has been in receivership throughout this proceeding. MGMIC withdrew from active participation early in the proceeding after being advised by Staff that Staff did not intend to seek any monetary sanctions against MGMIC.
- [5] The three remaining respondents, Ben, Payam and MGC (collectively, the **Remaining Respondents**) appeared at the sanctions and costs hearing with counsel.

¹ 2019 ONSC 40

² Throughout these reasons, we refer to Messrs. Katebian by their first names, solely for convenience in distinguishing between them. We mean no disrespect in doing so.

III. ANALYSIS

[6] This hearing presents two principal issues:

- a. Is it in the public interest to order sanctions against the respondents, and if so, what sanctions would be appropriate?
- b. Should the respondents be ordered to pay costs for the investigation and hearing?

A. Sanctions

1. Legal framework

- [7] The Commission may impose sanctions under s.127(1) of the *Securities Act* (the **Act**)³ where it finds that it is in the public interest to do so. The Commission must exercise this jurisdiction in a manner consistent with the Act's purposes, which include the protection of investors from unfair, improper or fraudulent practices, and the fostering of fair and efficient capital markets.⁴
- [8] The Supreme Court of Canada has held that the sanctions listed in s. 127(1) of the Act are protective and preventative, and are intended to be exercised to prevent future harm to Ontario's capital markets.⁵
- [9] The Commission has identified a non-exhaustive list of factors to be considered for sanctions generally. These factors include:
- a. the seriousness of the misconduct;
 - b. the size of the profit made from the misconduct;
 - c. whether the misconduct was isolated or recurrent;
 - d. any mitigating factors;
 - e. the respondent's ability to pay any monetary sanctions; and
 - f. the likely effect that any sanction would have on the respondent ("specific deterrence") as well as on others ("general deterrence").
- [10] Sanctions must be proportionate to the respondent's conduct in the circumstances of the case.⁶
- [11] Fashioning the appropriate sanctions is a highly contextual exercise that is dependent on the facts and findings in the particular case. We refer below to decisions of the Commission in other cases, which are helpful but of limited value when determining the appropriate length of a market ban or the amount of an administrative penalty.⁷
- [12] We now turn to consider each of the above-enumerated factors in the context of this case.

³ RSO 1990, c S.5

⁴ The Act, s 1.1

⁵ *Committee for the Equal Treatment of Asbestos Minority Shareholders v Ontario (Securities Commission)*, 2001 SCC 37 at paras 42-43

⁶ *Bradon Technologies Ltd. (Re)*, 2016 ONSEC 19, (2016) 39 OSCB 4907 (**Bradon**) at para 28; and at para 47, citing *Cartaway Resources Corp (Re)*, 2004 SCC 26 at para 60; *Sabourin (Re)*, 2010 ONSEC 10, (2010) 33 OSCB 5299 (**Sabourin**), at para 59

⁷ *Re Quadrex Hedge Capital Management Ltd.*, 2018 ONSEC 3, (2018) 41 OSCB 1023 at para 20

2. Application of the sanction factors

(a) Seriousness of the misconduct

- [13] The respondents' misconduct was serious. They violated registration and prospectus requirements, which are cornerstones of Ontario's securities regulatory regime.
- [14] They also committed fraud, which is one of the most egregious securities regulatory violations and which causes direct harm to investors and undermines confidence in the capital markets.⁸
- [15] The amount the respondents obtained as a result of their non-compliance with Ontario securities law was approximately \$8.7 million, as we explain below. That is a significant sum. Its magnitude contributes to the seriousness of the misconduct.
- [16] Without diminishing the seriousness of the fraud, we must put it in perspective. Some who commit fraud intend that their victims will lose their money. Others are well-intentioned but misguided or reckless. The respondents in this case are closer to the latter end of the spectrum.

(b) Size of the profit made from the misconduct

- [17] As we found in the Merits Decision, MGMIC diverted \$1,115,000 to Ben for his benefit. MGMIC diverted a further \$435,196 to various entities owned or controlled by Ben, Payam, or individuals associated with them.

(c) Whether the misconduct was isolated or recurrent

- [18] The respondents' breaches were not isolated. The respondents engaged in a continuous course of conduct that involved many separate transactions over more than three years. During that time, they raised approximately \$11 million from more than 150 investors.
- [19] Each separate contravention showed the respondents' disregard for the representations made in the offering memoranda and other communications to investors. Each contravention was therefore inconsistent with the bargain that the respondents made with the investors. At each turn, the respondents defeated the reasonable expectations of those investors.

(d) Mitigating factors

- [20] No mitigating factors were advanced on behalf of Ben or on behalf of the corporate respondents.
- [21] Payam submits that he is less culpable than his father. He argues that at the relevant time, he was a young man who was inexperienced in corporate governance and in running a business and who respected his father.
- [22] Staff urges us not to consider these claims as mitigating factors for Payam. Staff submits that Payam and Ben are equally culpable.
- [23] We have some sympathy for Payam's submissions. We consider his age, his stage in life, and the fact that he was working closely with this father, who was undoubtedly a strong influence. Having said that, Payam is an educated and

⁸ Merits Decision at paras 140, 168 and 200

independent adult, so these considerations do not absolve him of responsibility for his actions. They do act as mitigating factors.

- [24] Payam also submits that he is remorseful. He says that he has demonstrated that remorse by co-operating with the receiver and participating in this proceeding.
- [25] Staff disagrees. Staff argues that Payam has denied allegations and has expressed no remorse for his conduct. Staff points out that even after Payam read the Merits Decision and reflected on our findings, his “biggest regret” (according to his testimony at the sanctions hearing) was “ever meeting those guys”,⁹ a reference to the individuals that he maintains are the truly fraudulent parties.
- [26] Payam testified that his intention was “to act in the best interests” of MGMIC and the investors.¹⁰ We accept this evidence but do not consider an absence of malice to be a mitigating factor. Instead, it is the lack of an aggravating factor. In summary, we heard no satisfactory demonstration of remorse by Payam.

(e) Ability to pay

- [27] Payam submits that his personal situation should be taken into account when considering appropriate sanctions, including that his financial circumstances are “quite, quite dire”¹¹ and that he is under a significant amount of personal stress in having to care for a family member.
- [28] In the sanctions hearing, he provided evidence in the form of screenshots of various bank accounts. He testified that his plans for work in the future are uncertain because this has been his “whole life for the past few years, nothing else.”¹²
- [29] While one’s ability to pay can be a relevant factor, it is not a predominant or determining factor.¹³ Further, we agree with Staff’s submission that Payam’s evidence supporting this submission is inadequate for this purpose. Simple screenshots, without supporting records that can be adequately reviewed, are not sufficient, particularly in light of our findings that the respondents improperly diverted funds.

(f) Need for specific and general deterrence

- [30] Staff submits that specific deterrence is necessary in this case because: (i) the respondents have failed to recognize the seriousness of their conduct; (ii) the requested sanctions would impress upon Ben and Payam the seriousness of their misconduct and the consequences for inflicting this kind of harm on investors; and (iii) the requested sanctions would protect other investors from similar behaviour by Ben and Payam in the future.
- [31] Staff also submits that general deterrence is an important factor, so that other like-minded individuals see clearly that this kind of conduct will not be tolerated.

⁹ Hearing Transcript, Money Gate Corp. (Re), July 14, 2021, at 24, line 9

¹⁰ Hearing Transcript, Money Gate Corp. (Re), July 14, 2021, at 23, lines 16-17

¹¹ Hearing Transcript, Money Gate Corp. (Re), July 23, 2021, at 78

¹² Hearing Transcript, Money Gate Corp. (Re), July 14, 2021, at 55

¹³ *Sabourin* at para 60

- [32] The Remaining Respondents agree that we must consider general deterrence as a relevant factor. However, they submit that we should weigh this factor equally with the other sanctioning factors, including the impact of any sanction on the respondent.
- [33] We accept Staff's submissions. We are cautious not to overemphasize the need for deterrence. However, misconduct that is of the most egregious kind, as we have found this to be, must carry with it significant sanctions to achieve the necessary deterrent effect.

3. Non-Monetary Sanctions

- [34] With the above factors in mind, we turn to consider the appropriate non-monetary sanctions.
- [35] The Remaining Respondents concede that the non-monetary sanctions requested by Staff (*i.e.*, permanent market bans) are appropriate based on our findings.
- [36] Staff and the Remaining Respondents agree that MGMIC should be permitted a carve-out so that it may acquire securities, or trade in securities or derivatives, to complete the MGMIC receivership. We agree that this requested carve-out is appropriate. It presents no risk to the capital markets, and it may further the interests of harmed investors.
- [37] Ben and Payam submit that they should be permitted to trade in one or more accounts once they have paid any monetary sanctions and costs awarded against them. Staff submits that no carve-outs are appropriate for them because they cannot be trusted to participate in the capital markets even in a limited capacity.
- [38] We disagree with Staff. Ben's and Payam's misconduct was serious, but the carve-out they seek would not enable them to engage in similar misconduct in the future. It is in the public interest to allow them to invest in the capital markets in a limited way once they have satisfied their monetary obligations to the Commission. We prescribe the limited carve-out in our concluding paragraph below and in the order we will issue along with these reasons.
- [39] Staff also seeks a reprimand against Ben and Payam, under paragraph 6 of s.127(1) of the Act. A reprimand is unnecessary, duplicative and not in the public interest where, as here, there are explicit findings of breaches of Ontario securities law, and the reasons for decision include clear denunciation of the conduct. Treating a reprimand as an automatic add-on to significant sanctions can diminish the value of reprimands in cases where they are better suited.¹⁴
- [40] We will now consider monetary sanctions, beginning with disgorgement, followed by administrative penalties.

4. Disgorgement

(a) Introduction

- [41] Paragraph 10 of s.127(1) of the Act authorizes the Commission to make an order requiring a person or company who has not complied with Ontario securities law "to disgorge to the Commission any amounts obtained as a result of the non-compliance."

¹⁴ *Hutchinson (Re)*, 2020 ONSC 1 at para 49

- [42] The Remaining Respondents concede that a disgorgement order would be fitting. They disagree with Staff about how we should calculate the amount.
- [43] We begin by examining the general principles applicable to disgorgement. We then calculate the appropriate amount in this case.
- [44] The purpose of disgorgement is to ensure that respondents do not retain any financial benefit from their misconduct, in order to fulfill the goals of specific and general deterrence.¹⁵
- [45] The Commission has previously set out various factors that it will consider in determining whether a disgorgement order is appropriate, and if so, in what amount:
- a. whether an amount was obtained by a respondent as a result of the non-compliance with Ontario securities law;
 - b. the seriousness of the misconduct and whether that misconduct caused serious harm, whether directly to individual investors or otherwise;
 - c. whether the amount obtained as a result of the non-compliance is reasonably ascertainable;
 - d. whether those who suffered losses are likely to be able to obtain redress; and
 - e. the deterrent effect of a disgorgement order on the respondents and other market participants.¹⁶
- [46] We addressed the second and fifth of these factors above in our discussion of sanctioning factors generally. The serious and harmful nature of the respondents' misconduct in this case, and the need for both specific and general deterrence, support a disgorgement order. Investment fund managers and others who raise funds from investors must have no incentive to obtain and use the investors' funds in a manner that is inconsistent with Ontario securities law and the promises made to those investors. This must be so even where those who raise funds believe that they will manage the funds well and will be able to meet their financial obligations to the investors.
- [47] We begin our calculation of the appropriate amount by addressing the first and third factors together. We consider whether there are reasonably ascertainable amounts obtained by the respondents as a result of non-compliance with Ontario securities law. We then address the remaining fourth factor by considering whether the investors are likely to obtain redress.

(b) Were reasonably ascertainable amounts obtained by the respondents as a result of non-compliance with Ontario securities law?

- [48] In this case, there is no difficulty ascertaining the actual amounts involved in various transactions. However, the parties differ in two ways about how we should determine what amounts were obtained as a result of non-compliance with Ontario securities law.

¹⁵ *Sabourin* at para 65

¹⁶ *Pro-Financial Asset Management (Re)*, 2018 ONSC 18, (2018) 41 OSCB 3512 (**PFAM**) at para 56

- [49] One difference arises from Staff's request that we require the Remaining Respondents to disgorge funds on a joint and several basis. The Remaining Respondents submit that we should treat each respondent differently and look to the specific amounts that flowed to a particular respondent.
- [50] We cannot accept that submission. As we found in the Merits Decision, "Ben, Payam and MGC were inextricably wound up in all of MGMIC's frauds".¹⁷ Given the nature of the fraud in which they all engaged together, and given our lack of confidence in any assumptions about how they moved funds around, only a joint and several order would be in the public interest.
- [51] The second difference between the parties is about what proportion of the funds obtained should be disgorged. Staff submits that we should order disgorgement of the total raised through the distribution of preferred shares, *i.e.*, \$11,009,571. We note that this total does not include dividends that were automatically reinvested by MGMIC, when directed by investors. That additional sum of \$277,824 could, arguably, be added to the disgorgement amount since those dividends would otherwise have been paid to investors in cash. However, Staff does not seek disgorgement of that additional amount.
- [52] The Remaining Respondents dispute that the amount ought to be the total raised. They begin by asking us to distinguish this case from some of the cases where the Commission has ordered disgorgement of the total amount raised. They then ask us to focus on how the respondents in this case used the funds raised.
- [53] We agree with the distinction that the Remaining Respondents suggest, in that unlike some other fraud cases, this is not a case where there was no legitimate underlying business and the funds raised were used simply to enrich the respondents. In this case, there was an underlying business.
- [54] However, we would be skipping an important step if we were to move directly from that distinction to examining how the funds were used, as the Remaining Respondents would have us do. The Act requires that we determine what funds were obtained as a result of non-compliance with Ontario securities law. As we found in the Merits Decision, the respondents' non-compliance was twofold. First, they raised the funds in a manner that contravened ss. 25(1) and 53(1) of the Act. Second, they did not operate the enterprise (*i.e.*, use the funds) as promised.
- [55] While the respondents did sometime use the funds in a way that conformed to the representations made to investors, that does not change the fact that they first obtained the funds as a result of their non-compliance with Ontario securities law. As the Commission has previously held, it does not matter how the funds were used after they were obtained in contravention of the Act.¹⁸
- [56] Further, a particular investor's funds paid to acquire preferred shares did not flow directly to a specific mortgage. Funds were raised and then pooled. This fact reinforces the appropriateness of calculating disgorgement based on the inflow rather than the use.

¹⁷ Merits Decision at para 309

¹⁸ *Phillips (Re)*, 2015 ONSC 36, (2015) 38 OSCB 9311 at para 19

- [57] Having said that, although we are authorized to order disgorgement in the full amount obtained by the Remaining Respondents, we need not do so. We consider it to be appropriate in this case to exercise our discretion to reduce the disgorgement amount by the amounts loaned in conformance with the promises made to investors:

Loan number	Amount
2013-30	\$75,500
2014-10	\$21,500
2014-22	\$77,000
2014-27	\$550,000
2015-03	\$62,500
2015-04	\$170,000
2015-06	\$226,542
2015-09	\$43,000
2015-11	\$207,500
2015-16	\$41,500
2015-17	\$69,500
2015-19	\$90,000
2015-22	\$85,000
2016-01	\$68,891
2016-03	\$60,000
2016-05	\$450,000
Total	\$2,298,433

- [58] We deduct \$2,298,433 (the total of conforming loans) from \$11,009,571 (the total funds raised) to arrive at a disgorgement amount of \$8,711,138.

(c) Are the investors likely to be able to obtain redress?

- [59] The Remaining Respondents submit that we should reduce any disgorgement amount by the amount returned to investors following the misconduct. We agree with this submission in principle.
- [60] However, the MGMIC receivership is ongoing. The most recent receiver's report provided to us was current to April 24, 2020. According to that report, the receiver had recovered an estimated \$1,515,316. We cannot clearly ascertain the uses to which those funds will be put and whether the receiver will pay the total recoveries to investors without any deductions. Accordingly, we are unable to determine the precise amount that will be returned to investors.
- [61] Under these circumstances, it is appropriate for us to order disgorgement according to the usual principles and without regard to potential recoveries, given the uncertainty. Any party may apply to the Commission to vary our order,

based on more current information regarding the receiver's ability to repay funds to investors.

(d) Conclusion regarding disgorgement

- [62] Considering all the above factors, we find that Ben, Payam and MGC should be jointly and severally liable to disgorge to the Commission the sum of \$8,711,138.

5. Administrative penalties

- [63] We turn now to administrative penalties. Paragraph 9 of s. 127(1) of the Act provides that if a person or company has not complied with Ontario securities law, the Commission may require the person or company to pay an administrative penalty of not more than \$1 million for each failure to comply.
- [64] Given our finding that each of the Remaining Respondents is responsible for numerous failures to comply with Ontario securities law, over more than three years, each Remaining Respondent is potentially liable for administrative penalties totalling many millions of dollars.
- [65] Despite this, Staff submits that each of Ben, Payam and MGC should pay an administrative penalty of \$1 million. Staff submits that such an order would be proportionate and appropriate in the circumstances of this case and that it would be consistent with sanctions imposed by the Commission in comparable cases.
- [66] The Remaining Respondents submit that \$1 million is not an appropriate amount for an administrative penalty as this is not the most serious of cases the Commission has considered.
- [67] An administrative penalty should be sufficient to ensure effective specific and general deterrence. Factors to be considered in determining an appropriate administrative penalty include:
- a. the scope and seriousness of a respondent's misconduct;
 - b. whether there were multiple or repeated breaches of the Act;
 - c. whether the respondent realized any profit as a result of his or her misconduct;
 - d. the amount of money raised from investors;
 - e. the harm caused to investors; and
 - f. the level of administrative penalties imposed in other cases.¹⁹
- [68] We discussed above the first five of these six factors. For context regarding administrative penalties imposed by the Commission in other cases, we refer to the following recent decisions cited by Staff, all of which involved findings of fraud:
- a. *Natural Bee Works Apiaries Inc. (Re)*²⁰ (2019) – Approximately \$300,000 was raised over nine months. The funds were used for purposes

¹⁹ *Re Rowan*, 2009 ONSC 46, (2009) 33 OSCB 91 at paras 67, 70 and 73, aff'd 2010 ONSC 7029 (Div Ct), aff'd 2012 ONCA 208; *Re Limelight Entertainment Inc.*, 2008 ONSC 28, (2008) 31 OSCB 12030 at paras 67, 71 and 78

²⁰ 2019 ONSC 31

inconsistent with those promised to investors. All investors lost their funds. The Commission ordered that the corporate respondent and one of its principals be jointly liable for an administrative penalty of \$500,000.

- b. *Meharchand (Re)*²¹ (2019) – The respondents raised approximately \$1.65 million over five years and used the funds for improper purposes. Virtually all investor funds were lost. The Commission imposed an administrative penalty of \$550,000 on the principal.
- c. *Sino-Forest Corporation (Re)*²² (2018) – The corporate respondent perpetrated a US\$3 billion fraud over five and a half years. The Commission also found that each of the respondents had misled Staff. The Commission ordered that four individual respondents pay administrative penalties ranging from \$2 million (for two of them) to \$5 million (for one of them).
- d. *Quadrex Hedge Capital Management Ltd. (Re)*²³ (2017) – The respondents raised approximately \$3.4 million from investors over four and a half years. Investors suffered substantial losses. The Commission ordered the two individual respondents to pay administrative penalties of \$600,000 each.

[69] We also note that Payam provided letters of support, which he advises speak to some of his circumstances and how he has behaved in other aspects of his life. We take these into account but do not attribute significant weight to them. Most individuals who commit fraud can find friends or acquaintances who can speak to their good character. We have some sympathy for the circumstances in which Payam found himself. Still, as we have concluded, Payam's misconduct was deliberate and repeated, and it caused serious losses for innocent investors. It also undermined the integrity of the capital markets. These significant facts cannot be overcome by his previous conduct or his behaviour in other aspects of his life.

[70] Finally, Payam submits that we must consider whether any administrative penalty would have a disproportionate effect on his ability to earn a living. Once again, we are mindful of the consequences that can flow from a significant penalty. However, we must weigh those consequences against the serious consequences for the many victims of the fraud. Any penalty will cause difficulties for a respondent. If that were not the case, the penalty would lack the necessary specific and general deterrent effect, thereby defeating the purpose of the penalty and exposing the capital markets to a much greater risk of future misconduct.

[71] Considering all of the above, we find that administrative penalties of \$750,000 and \$600,000 are appropriate against Ben and Payam, respectively. We distinguish between them because of Payam's age and stage in life and because he was working closely with this father, who was undoubtedly a strong influence. These mitigating factors do not absolve Payam, who is an educated and

²¹ 2019 ONSEC 7

²² 2018 ONSEC 73

²³ 2018 ONSEC 3

independent adult, of responsibility for his actions. But the factors do support different treatment of the two individuals, and \$600,000 is a significant penalty.

- [72] We should not apply any deduction to MGC. We will order that MGC pay an administrative penalty of \$750,000. Although we are told that MGC has no assets, the penalty we impose should reflect the sanctioning factors even where the Commission may not be able to recover the amount ordered.²⁴ Further, even where a respondent is currently unable to pay, an order remains in place in case assets are located.²⁵

B. Costs

- [73] Finally, we consider Staff's request that the Remaining Respondents pay costs.
- [74] Section 127.1 of the Act permits the Commission to order a person or company to pay the costs of an investigation or hearing if the Commission is satisfied that the person or company has not complied with Ontario securities law or has not acted in the public interest.
- [75] Staff requests that the Remaining Respondents jointly and severally pay costs to the Commission of \$597,122.58. Staff supports this request with uncontradicted evidence regarding the time spent by various members of Staff during: (i) the investigation leading up to this proceeding, and (ii) preparation for and conduct of the hearings in the proceeding.
- [76] Staff begins by applying hourly rates that the Commission has previously adopted, based on the positions of, and roles played by, members of Staff. Staff excluded from its initial calculation time spent by:
- a. assistant investigators;
 - b. members of Staff who recorded 35 or fewer hours; and
 - c. members of Staff in the Technology and Evidence Control unit.
- [77] Applying these exclusions results in a total attributable to Staff time of \$1,331,221.25.
- [78] Staff then limits its request regarding time to that of only three individuals: the lead investigator and two counsel. Staff excludes time spent by litigation counsel before the issuance of the Statement of Allegations. Staff also excludes time spent by counsel on the receivership application and other related tasks. After these reductions, Staff reaches a claimed amount of \$547,344.50.
- [79] Staff then adds approximately \$50,000 in respect of disbursements, representing a discount from a total disbursement amount of approximately \$80,000.
- [80] Overall, Staff's claim represents a discount of approximately 57% on the actual costs it incurred during its investigation, its work before the hearing and the conduct of the hearing.
- [81] The Remaining Respondents submit that the costs requested by Staff are too high and that the materials provided to support the costs were insufficient. The Remaining Respondents dispute certain items in Staff's claim. We note, however, that the amounts of the disputed items are not material and that the 57%

²⁴ *Gold-Quest International, Re*, 2010 ONSC 30, (2010) 33 OSCB 11179 at para 99

²⁵ *Lehman Cohort Global Group Inc., Re*, 2011 ONSC 8, (2011) 34 OSCB 2999 at para 19

discount more than overcomes the disputed amounts. Staff's claimed amount is eminently reasonable. The level of detail was sufficient to support the claim.

- [82] Staff was entirely successful in proving its allegations against the Remaining Respondents. The investigation and the proceeding were long and complex, and they consumed many hours of Staff time. Respondents who engage in this kind of misconduct should bear a substantial portion of Staff's costs so that the burden is lessened for other market participants.
- [83] We will order that the Remaining Respondents be liable, jointly and severally, to pay costs in the claimed amount of \$597,122.58.

IV. CONCLUSION

- [84] For the above reasons, we will issue an order that provides that:
- a. pursuant to paragraphs 2 and 2.1 of s.127(1) of the Act:
 - i. trading in securities of MGMIC shall cease permanently, except for trades effected by the receiver of MGMIC;
 - ii. MGC and MGMIC are permanently prohibited from trading in any securities or derivatives, or acquiring any securities, except for any trades or acquisitions effected by the receiver of MGMIC;
 - iii. Ben and Payam are permanently prohibited from trading in any securities or derivatives, or acquiring any securities, except that each may, after he has fully paid all monetary sanctions and costs that we order, trade securities or derivatives, and acquire securities, for any Registered Retirement Savings Plan, Registered Retirement Income Fund, Registered Education Savings Plan, Registered Disability Savings Plan or Tax-Free Savings Account (as those terms are defined in the *Income Tax Act*²⁶), of which he, his spouse or his children are the sole legal and beneficial owners, through a registered dealer in Canada to whom he has given a copy of our order and a certificate from Staff confirming that he has paid the monetary sanctions and costs as required;
 - b. pursuant to paragraph 3 of s.127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to any of the respondents, permanently, except to the extent necessary for the receiver of MGMIC to carry out its duties;
 - c. pursuant to paragraphs 7 and 8.1 of s.127(1) of the Act, Ben and Payam shall resign any positions that they hold as directors or officers of any issuer or registrant;
 - d. pursuant to paragraphs 8 and 8.2 of s.127(1) of the Act, Ben and Payam be prohibited permanently from becoming or acting as directors or officers of any issuer or registrant;
 - e. pursuant to paragraph 8.5 of s. 127(1) of the Act, the respondents are prohibited permanently from becoming or acting as a registrant or as a promoter;

²⁶ RSC, 1985, c 1 (5th Supp)

- f. pursuant to paragraph 9 of s.127(1) of the Act, Ben and MGC shall pay administrative penalties of \$750,000 each, and Payam shall pay an administrative penalty of \$600,000, which amounts shall be designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b)(i) or (ii) of the Act;
- g. pursuant to paragraph 10 of s.127(1) of the Act, Ben, Payam and MGC shall, jointly and severally, disgorge to the Commission \$8,711,138, which amount shall be designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b)(i) or (ii) of the Act; and
- h. pursuant to s.127.1 of the Act, Ben, Payam and MGC shall, jointly and severally, pay \$597,122.58 for the costs of the investigation and hearing.

Dated at Toronto this 1st day of April, 2021.

"Timothy Moseley"

Timothy Moseley

"M. Cecilia Williams"

M. Cecilia Williams

"Lawrence P. Haber"

Lawrence P. Haber



Ontario
Securities
Commission

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

Timothy Moseley, Vice-Chair and Chair of the Panel
M. Cecilia Williams, Commissioner
Lawrence P. Haber, Commissioner

File No. 2017-79

April 1, 2021

ORDER

(Subsection 127(1) and section 127.1 of the
Securities Act, RSO 1990, c S.5)

WHEREAS on July 14 and 23, 2020, the Ontario Securities Commission (the **Commission**) held a hearing by videoconference to consider the sanctions and costs that the Commission should impose on Money Gate Mortgage Investment Corporation (**MGMIC**), Money Gate Corp. (**MGC**), Morteza Katebian, and Payam Katebian as a result of the findings in the Commission's Reasons and Decision on the merits, issued on December 17, 2019;

ON READING the materials filed by Staff of the Commission (**Staff**), and by MGC, Morteza Katebian and Payam Katebian, and on hearing the submissions of the representatives for Staff, and for MGC, Morteza Katebian and Payam Katebian, no one appearing on behalf of MGMIC;

IT IS ORDERED THAT:

1. Pursuant to paragraphs 2 and 2.1 of subsection 127(1) of the *Securities Act*, RSO 1990, c S.5 (the **Act**):
 - (a) trading in securities of MGMIC shall cease permanently, except for trades effected by the receiver of MGMIC;
 - (b) MGC and MGMIC are permanently prohibited from trading in any securities or derivatives, or acquiring any securities, except for any trades or acquisitions effected by the receiver of MGMIC;
 - (c) Morteza Katebian and Payam Katebian are permanently prohibited from trading in any securities or derivatives, or acquiring any securities, except that each may, after he has fully paid the amounts in paragraphs 6, 7 and 8 of this order, trade securities or derivatives, and acquire securities, for any Registered

Retirement Savings Plan, Registered Retirement Income Fund, Registered Education Savings Plan, Registered Disability Savings Plan or Tax-Free Savings Account (as those terms are defined in the *Income Tax Act*, RSC, 1985, c 1 (5th Supp)), of which he, his spouse or his children are the sole legal and beneficial owners, through a registered dealer in Canada to whom he has given a copy of this order and a certificate from Staff confirming that he has paid the amounts as required;

2. pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law shall not apply to any of the respondents, permanently, except to the extent necessary for the receiver of MGMIC to carry out its duties;
3. pursuant to paragraphs 7 and 8.1 of subsection 127(1) of the Act, Morteza Katebian and Payam Katebian shall resign any positions that they hold as directors or officers of any issuer or registrant;
4. pursuant to paragraphs 8 and 8.2 of subsection 127(1) of the Act, Morteza Katebian and Payam Katebian are prohibited permanently from becoming or acting as directors or officers of any issuer or registrant;
5. pursuant to paragraph 8.5 of subsection 127(1) of the Act, the respondents are prohibited permanently from becoming or acting as a registrant or as a promoter;
6. pursuant to paragraph 9 of subsection 127(1) of the Act, Morteza Katebian and MGC shall pay administrative penalties of \$750,000 each, and Payam Katebian shall pay an administrative penalty of \$600,000, which amounts shall be designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b)(i) or (ii) of the Act;
7. pursuant to paragraph 10 of subsection 127(1) of the Act, Morteza Katebian, Payam Katebian and MGC shall, jointly and severally, disgorge to the Commission \$8,711,138, which amount shall be designated for allocation or use by the Commission in accordance with subclause 3.4(2)(b)(i) or (ii) of the Act; and
8. pursuant to section 127.1 of the Act, Morteza Katebian, Payam Katebian and MGC shall, jointly and severally, pay \$597,122.58 for the costs of the investigation and hearing.

"Timothy Moseley"

Timothy Moseley

"M. Cecilia Williams"

M. Cecilia Williams

"Lawrence P. Haber"

Lawrence P. Haber

APPENDIX I

**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

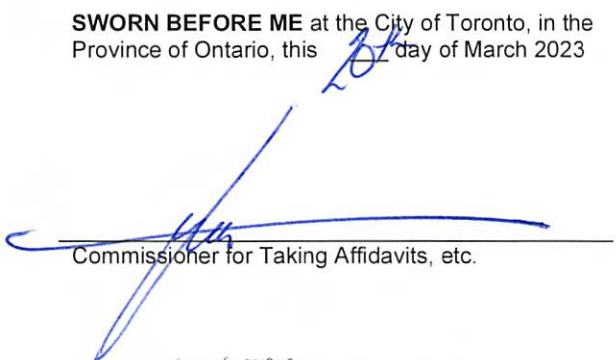
AFFIDAVIT OF JONATHAN KRIEGER

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 are the detailed billings setting out the fees and disbursements of GTL incurred in its role as Receiver of the Company from October 16, 2020 to February 28, 2023 in the amount of \$132,760.19 plus HST of \$17,258.82, for a total of \$150,019.01 and such is summarized on Exhibit "**B**" to this my affidavit. The average hourly rate is \$410.13.
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 20th day of March 2023



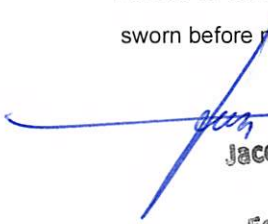
Commissioner for Taking Affidavits, etc.

Jacob Wiebe, a Commissioner, etc
Province of Ontario
For Grant Thornton Limited
Expires May 25, 2025



JONATHAN KRIEGER

Exhibit "A" to the Affidavit of Jonathan Krieger,
sworn before me this 20th day of March 2023


**Jacob Wiebe, a Commissioner, etc
Province of Ontario
For Grant Thornton Limited
Expires May 25, 2025**

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-6903**

To professional services rendered as Receiver for the period from October 16, 2020 to October 31, 2020.

Date	Full Name	Hours	Detail
October 15, 2020	Rania Erian	1.00	Prepare legal documents.
October 16, 2020	Jason Kanji	0.50	Prepare appendices for report.
October 18, 2020	Rosa Wilford	0.50	Review and reconcile September GIC term deposits and approve estate balance.
October 19, 2020	Jason Kanji	0.50	Calls with investors re: proceeding matters.
October 20, 2020	Jason Kanji	0.50	Call with interested in party in the Timiskaming Property to discuss due diligence matters.
October 21, 2020	Jonathan Krieger	0.70	Correspondence re: report; Review of supporting documents.
October 22, 2020	Jason Kanji	1.00	Update report to court; Calls with investors; Call with legal counsel re: affidavits.
October 22, 2020	Jonathan Krieger	0.80	Correspondence with team and counsel re: report; Correspondence re: supplemental materials; Correspondence with Dentons.

Date	Full Name	Hours	Detail
October 22, 2020	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests; Prepare disbursement requisition forms; Post invoice entries; Issue cheque; General banking administration.
October 23, 2020	Jonathan Krieger	1.00	Correspondence with team re: report, considerations re: completion, information required.
October 23, 2020	Valerie Naccarato	0.30	General file administration.
October 26, 2020	Jonathan Krieger	1.00	Correspondence and calls re: finalization of report; Required documents.
October 28, 2020	Jason Kanji	1.80	Update MGMIC report; Coordinate affidavits; Prepare and finalize Palace Pier payout statement.
October 28, 2020	Valerie Naccarato	0.20	General file administration.
October 29, 2020	Jason Kanji	1.30	Update and finalize report for service; Calls with counsel re: same; Calls with investors.
October 29, 2020	Jonathan Krieger	2.10	Review of updated materials; Correspondence and communications with team; Review of payout statement re: Palace Pier; Review of final report; Correspondence with counsel; Finalize report.
October 30, 2020	Jonathan Krieger	0.50	Correspondence with team re: service of report, considerations thereto re: distribution.

Time Summary

J. Krieger, Sr. Vice President	6.10 hours @ \$595.00 per hour	\$ 3,629.50
J. Kanji, Manager	5.60 hours @ \$295.00 per hour	\$ 1,652.00
R. Wilford, Manager	0.80 hours @ \$275.00 per hour	\$ 220.00
V. Naccarato, Analyst	0.50 hours @ \$145.00 per hour	\$ 72.50
R. Erian, Analyst	1.00 hours @ \$145.00 per hour	\$ 145.00
	<u>14.00</u>	<u>\$ 5,719.00</u>
5% Administration and Technology fees		<u>\$ 285.95</u>
		<u>\$ 6,004.95</u>
HST @13%		<u>\$ 780.64</u>
Total Due		<u>\$ 6,785.59</u>

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

- and -

Applicant

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-7013**

To professional services rendered as Receiver for the period from November 1, 2020 to December 31, 2020.

Date	Full Name	Hours	Detail
November 2, 2020	Jason Kanji	1.00	General banking matters; Correspond with investors; Review Palace Pier discharge.
November 2, 2020	Jonathan Krieger	1.10	Matters related to Money Gate report; Correspondence and discussions with counsel re: motion record.
November 2, 2020	Rosa Wilford	0.60	Review internal instructions re Banking; On-line banking; Review print screens for expecting wire; Correspondences with Bank searching for incoming wire/Phone call re same; Prepare receipt requisition form; Post entries; Email team notification of wire. General banking administration.
November 3, 2020	Jason Kanji	0.50	Calls with investors re: Report.
November 3, 2020	Valerie Naccarato	0.20	Print from on-line site the October bank statement.

Date	Full Name	Hours	Detail
November 5, 2020	Jonathan Krieger	0.60	Correspondence re: matters related to court proceedings; Correspondence with team re: inquiries, claims process;
November 5, 2020	Valerie Naccarato	0.10	Review internal instructions from team; Post eft entry.
November 6, 2020	Valerie Naccarato	0.10	General banking administration.
November 11, 2020	Rosa Wilford	0.10	Review estate bank account; and reconcile October statement.
November 12, 2020	Rosa Wilford	0.60	Review and reconcile October GIC term deposits and approve summary estate balance report for review and approval by Trustee.
November 19, 2020	Rania Erian	0.50	Administration matters re: reporting.
November 25, 2020	Jason Kanji	1.00	Prepare for and attending Money Gate Motion for approval of disbursements and Palace Pier release amongst other matters.
November 25, 2020	Jonathan Krieger	0.50	Correspondence with team re: matters related to court motion; Correspondence re: relief.
November 26, 2020	Jason Kanji	3.20	Prepare for and attend Dovercourt appeal hearing; Review Factum and banking matters; Follow up call with legal counsel re: hearing.
November 27, 2020	Jason Kanji	0.50	General banking matters.
November 27, 2020	Jonathan Krieger	0.80	Correspondence re: matters related to remaining properties; Correspondence re: relief considered, next steps.
December 1, 2020	Jason Kanji	0.50	Correspond with Payam re: settlement of Palace Pier property.
December 1, 2020	Jonathan Krieger	0.50	Correspondence re: finalize dividend.
December 1, 2020	Rosa Wilford	0.80	Review internal email instructions from team re Banking: Review payment requests: Prepare disbursement requisition forms: Prepare transfers; Email signing officers for review and approval of transfers/payments; Prepare bank letter; Post invoice entries; Issue cheques; General banking administration.
December 2, 2020	Jonathan Krieger	0.50	Review of claim information; Correspondence with counsel.

Date	Full Name	Hours	Detail
December 3, 2020	Jason Kanji	3.80	Review statement of claim re: Mansteel Property; Prepare dividend payable sheet for initial distribution.
December 3, 2020	Jonathan Krieger	1.20	Call with counsel re: claim; Correspondence with team re: matters related to claim.
December 4, 2020	Jonathan Krieger	0.90	Correspondence with counsel re: claim; Correspondence with team re: distribution; Correspondence re: matters related to reporting.
December 4, 2020	Rosa Wilford	0.60	Correspondences to and from Bank for authorization of wire transfers/ confirmations; Faxes; Emails; Post multiple disbursement and payment entries; Print and attach transaction reports; Provide team with wire confirmations.
December 4, 2020	Valerie Naccarato	0.20	Banking administration matters.
December 7, 2020	Jason Kanji	0.50	Correspond with investors re: Distributions; Correspond with Olympia trust re: same.
December 8, 2020	Jonathan Krieger	0.50	Correspondence re: matters related to Court order and dividends.
December 11, 2020	Valerie Naccarato	0.10	Banking administration matters.
December 14, 2020	Jonathan Krieger	0.50	Correspondence and call with counsel re: Dovercourt matter.
December 15, 2020	Jason Kanji	1.40	Call with interested party re: Timiskaming property; Prepare distribution schedule; Call with legal counsel re: holdback for OSC proceedings against Katebians
December 15, 2020	Jesse Cooper	1.50	Reconcile Olympia Trust distribution list.
December 16, 2020	Jason Kanji	1.00	Cross reference investments with OTC.
December 16, 2020	Jesse Cooper	1.20	Input the plan numbers for investors with Olympia Trust.
December 16, 2020	Jonathan Krieger	1.20	Review of Dovercourt decision; Correspondence with team.
December 17, 2020	Jason Kanji	0.80	Draft letters to investors; Creditor calls re: distribution.
December 17, 2020	Jonathan Krieger	0.80	Correspondence with team re: distribution, analysis and allocation; considerations re: holdback.

Date	Full Name	Hours	Detail
December 17, 2020	Rosa Wilford	5.00	Banking process: Review internal email instructions from team; Review payment schedules for investor's distributions; Cross reference claim acknowledgement forms to distribution list; Post dividend entries; Provide team with Dividend Sheet for review and approval of payments; Prepare disbursement requisition form; Emails; General banking administration.
December 18, 2020	Rosa Wilford	1.00	Review email confirmation of approval; Issue multiple cheques; Prepare for signing.
December 21, 2020	Rania Erian	0.60	Administration matters.
December 23, 2020	Valerie Naccarato	0.50	Administration matters; Review mail; Notify team.
December 30, 2020	Jason Kanji	1.00	Review statement of Defense re: Timmins Property; Review source and use of Timmins mortgage payments; Correspond with counsel re: same.

Time Summary

J. Krieger, Sr. Vice President	9.10 hours @ \$595.00 per hour	\$ 5,414.50
J. Kanji, Manager	15.20 hours @ \$295.00 per hour	\$ 4,484.00
R. Wilford, Manager	8.70 hours @ \$275.00 per hour	\$ 2,392.50
J. Cooper, Sr. Associate	2.70 hours @ \$175.00 per hour	\$ 472.50
V. Naccarato, Analyst	1.20 hours @ \$145.00 per hour	\$ 174.00
R. Erian, Analyst	1.10 hours @ \$145.00 per hour	\$ 159.50
	<u>38.00</u>	<u>\$ 13,097.00</u>
5% Administration and Technology fees		<u>\$ 654.85</u>
		<u>\$ 13,751.85</u>
HST @13%		<u>\$ 1,787.74</u>
Total Due		<u>\$ 15,539.59</u>

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

- and -

Applicant

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#LSO-7082**

To professional services rendered as Receiver for the period from January 1, 2021 to January 31, 2021.

Date	Full Name	Hours	Detail
January 4, 2021	Rania Erian	0.10	Case website maintenance.
January 6, 2021	Rosa Wilford	0.20	Review email enquiry from Bank; re cheque verification 100026; Review ledger; Review payee and address; Provide supporting documentation; Respond to email.
January 7, 2021	Jason Kanji	1.50	Review matters relating to the Timmins claim; Coordinate the investigation and review emails relating to the mortgage assignment for Timmins property
January 7, 2021	Jonathan Krieger	1.10	Correspondence with counsel; Correspondence with team re: reporting; Correspondence with auditor; Correspondence with counsel re: next steps.
January 8, 2021	Jason Kanji	0.50	Draft summary for forensics team re: email review
January 8, 2021	Jonathan Krieger	0.40	Review of correspondence re: Timiskaming property; Correspondence with team thereto.

Date	Full Name	Hours	Detail
January 8, 2021	Jugal Patel	4.00	Take Image of the Email file; Processed data on Forensic platform (Intella, W4 and FTK); Review data; Meeting with S. Boucher; Prepared summary.
January 8, 2021	Rosa Wilford	0.20	Review email enquiry from Bank; re cheque verification 100003; Review ledger; Review payee and address; Provide supporting documentation; Respond to email.
January 8, 2021	Sandy Boucher	0.70	Review emails with J. Patel, review initial analysis results.
January 11, 2021	Jason Kanji	0.50	Review forensic matters on emails re: Timmins.
January 11, 2021	Jonathan Krieger	0.60	Review of matters re: parallel proceedings; Correspondence re: matters related to investor distribution and queries re: Olympia.
January 11, 2021	Jugal Patel	7.50	Review Email headers; Prepared summary meeting with S. Boucher' Call with DD.
January 11, 2021	Rosa Wilford	0.60	On-line banking; Review estate bank accounts; Print statements; Post EFT entries; Reconcile December statements; Print Summary of Estate Balance Report; Match to reconciliations; Reconcile December GIC term deposits; Attach copies and initial report; Provide to signing officer for review and signing.
January 11, 2021	Sandy Boucher	1.50	Review of emails and supporting information.
January 12, 2021	Jugal Patel	1.00	Meeting with SB for update; Update summary report.
January 12, 2021	Sandy Boucher	0.75	Review IP and other data with J. Patel.
January 13, 2021	Jugal Patel	7.50	Review email headers and prepared summary.
January 13, 2021	Sandy Boucher	1.20	Detailed review of header information analysis with J. Patel.
January 14, 2021	Jonathan Krieger	0.70	Correspondence from investor; Correspondence with team re: status; Review of information re: parallel proceedings; Correspondence with team re: Dovercourt proceeding and cost award.
January 14, 2021	Jugal Patel	4.50	Email content review; Email header review; Update summary.

Date	Full Name	Hours	Detail
January 15, 2021	Jugal Patel	1.00	Meeting with Sandy for an update; Send review summary of case file to S. Boucher.
January 15, 2021	Rania Erian	0.70	Administration matters.
January 18, 2021	Jason Kanji	0.50	Update call with Forensics team re: email validity verification.
January 18, 2021	Jugal Patel	2.50	Meeting with SB regarding update; Update summary report.
January 18, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests; Notify authorized signing officer for approval; Provide supporting documentation; Email; Prepare disbursement requisition form; Post invoice entries; Issue cheque.
January 18, 2021	Sandy Boucher	0.20	Brief J. Kanji on preliminary findings.
January 21, 2021	Rosa Wilford	0.20	Correspondence with Bank; Fax; Follow-up email.
January 22, 2021	Jason Kanji	0.80	Update calls with investors.
January 22, 2021	Valerie Naccarato	0.20	Administration matters.
January 26, 2021	Sandy Boucher	0.35	Review and summary report.
January 27, 2021	Jugal Patel	0.50	Update summary.
January 28, 2021	Jonathan Krieger	0.80	Correspondence re: Summary judgement motion; Correspondence re: matters related to file recoveries.

Time Summary

J. Krieger, Sr. Vice President	3.60 hours @	\$640.00 per hour	\$ 2,304.00
S. Boucher, Principal	4.70 hours @	\$475.00 per hour	\$ 2,232.50
J. Kanji, Manager	3.80 hours @	\$320.00 per hour	\$ 1,216.00
R. Wilford, Manager	1.50 hours @	\$280.00 per hour	\$ 420.00
V. Naccarato, Associate	0.20 hours @	\$150.00 per hour	\$ 30.00
R. Erian, Associate	0.80 hours @	\$150.00 per hour	\$ 120.00
J. Patel, Analyst	28.50 hours @	\$130.00 per hour	\$ 3,705.00
	43.10		\$ 10,027.50
5% Administration and Technology fees			\$ 501.38
			\$ 10,528.88
HST @13%			\$ 1,368.75
Total Due			\$ 11,897.63

**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-7500**

To professional services rendered as Receiver for the period from February 1, 2021 to June 30, 2021.

Date	Full Name	Hours	Detail
February 1, 2021	Valerie Naccarato	0.10	File administration.
February 3, 2021	Rania Erian	0.60	Administration matters.
February 4, 2021	Jonathan Krieger	1.10	Discussion with counsel re: matters related to summary judgement; Review of draft documentation; Correspondence with team re: inquiries.
February 4, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests; Prepare disbursement requisition form; Post invoice entries; Issue cheque; General banking administration.
February 4, 2021	Jonathan Krieger	0.20	Discussion with counsel re: matters related to summary judgement; Review of draft documentation; Correspondence with team re: inquiries.
February 5, 2021	Jonathan Krieger	0.70	Further review of court documents.

Date	Full Name	Hours	Detail
February 5, 2021	Jason Kanji	1.10	Review and amend affidavit re: Timmins property.
February 8, 2021	Jonathan Krieger	1.10	Call with counsel; Review of draft affidavit; Finalization; Correspondence with counsel; Correspondence with team.
February 9, 2021	Jonathan Krieger	0.40	Discussions and correspondence with team re: matters related to relief sought, considerations thereto
February 11, 2021	Valerie Naccarato	0.30	File administration.
February 11, 2021	Jason Kanji	0.50	Respond to creditor inquiries.
February 12, 2021	Rania Erian	0.10	Case website maintenance.
February 16, 2021	Jason Kanji	0.50	Review investor inquiry regarding registered accounts.
February 16, 2021	Rosa Wilford	0.50	On-line banking; Review estate bank account; Print statements; Post EFT entries; Reconcile January statement; Print Summary of Estate Balance Report; Match to reconciliation; Reconcile January GIC term deposits; Attach copies and initial report; Provide to signing officer for review and signing.
February 23, 2021	Jason Kanji	0.80	Review Timmins mortgage documents; Correspond with investors.
February 23, 2021	Valerie Naccarato	0.10	Administration matters; Review mail; Notify team.
February 26, 2021	Jonathan Krieger	0.40	Review of matters related to North properties and stay of action; Correspondence with counsel thereto.
February 26, 2021	Valerie Naccarato	0.30	File administration.
March 5, 2021	Jason Kanji	0.50	Update call with investor re: allocation of dividends.
March 8, 2021	Rosa Wilford	0.20	On-line banking; Review estate bank account/print screens; Post EFT entries and reconcile February statement.
March 8, 2021	Jason Kanji	0.20	Respond to investor inquiry.
March 9, 2021	Rania Erian	0.70	Administration matters.
March 10, 2021	Rosa Wilford	0.30	Review and reconcile February GIC term deposits and approve estate balance report for review and approval by Trustee.

Date	Full Name	Hours	Detail
March 17, 2021	Jason Kanji	0.50	Correspond and resolve matters with missing dividend with Olympia Trust
March 22, 2021	Valerie Naccarato	0.20	General file administration.
April 1, 2021	Jonathan Krieger	0.60	Investor inquiry; Correspond with team thereto; Review of materials from counsel re: litigation matters.
April 5, 2021	Jonathan Krieger	0.40	Matters related to investor inquiries; Correspond with team thereto.
April 12, 2021	Valerie Naccarato	0.10	Review mail; File administration.
April 12, 2021	Rosa Wilford	0.60	On-line banking; Review estate bank accounts/print screens; Post EFT entries; and reconcile March statements; reconcile March GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
April 12, 2021	Jason Kanji	0.50	Update call with investor.
April 19, 2021	Jason Kanji	0.50	Respond to investor inquiries.
April 20, 2021	Rosa Wilford	0.40	Review internal email instructions from team re Banking; Review payment requests; Notify authorized signing officer for approval; Provide supporting documentation; Email; Prepare disbursement requisition form; Prepare transfer wire: Bank letter; Setup accrual payments; General banking administration.
April 20, 2021	Jason Kanji	0.50	General Banking Matters.
April 21, 2021	Rosa Wilford	0.10	Review account ledger; Notify team with supporting documentation for review on account balance for review on providing instructions re GIC Investment.
April 22, 2021	Valerie Naccarato	0.20	File administration.
April 22, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review account ledger/report; Prepare disbursement requisition form; Prepare Bank letter for purchasing GIC Investment; Email; General banking administration.
April 23, 2021	Jonathan Krieger	0.30	Discussion with counsel re: status of litigation; Correspondence re: matters related to distribution.

Date	Full Name	Hours	Detail
April 23, 2021	Rosa Wilford	1.00	Meet with signing officers; Correspondences to and from Bank for authorization of wire transfer/confirmation/GIC Purchase; Faxes; Emails; Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation; General banking administration.
April 26, 2021	Rosa Wilford	0.50	Correspondences to and from Bank for authorization of GIC Purchase/confirmation; Fax; Emails; Post term deposit entries; Print and attach transaction report; Update investment schedule; Notify team with supporting documentation; Emails; General banking administration.
April 26, 2021	Jonathan Krieger	0.70	Correspondence with counsel re: matters related to litigation; Review of materials thereto.
April 30, 2021	Valerie Naccarato	0.20	File administration.
May 4, 2021	Rosa Wilford	0.50	Review account ledger for maturing GIC's; Correspondences to and from Bank to provide copies of investment certificate; Review document; Prepare receipt and disbursement requisitions forms for matured / renewed GIC's principal and interest; Post entries; Update schedule. Email; General banking administration.
May 4, 2021	Valerie Naccarato	0.10	File administration.
May 5, 2021	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile April statement; reconcile April GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliation and initial report; Provide to authorized officer for review and signing.
May 7, 2021	Valerie Naccarato	0.20	File administration.
May 10, 2021	Jason Kanji	0.50	Correspond with investor re: distribution
May 10, 2021	Valerie Naccarato	0.10	File administration.
May 11, 2021	Jason Kanji	0.50	Correspond with counsel re: Cross Examinations.
May 11, 2021	Jonathan Krieger	0.30	Correspond with team re: proposed examinations; Correspondence re: matters related to north properties.

Date	Full Name	Hours	Detail
May 12, 2021	Jonathan Krieger	1.30	Review of materials re: litigation; Correspond with counsel; Correspond with team.
May 12, 2021	Rosa Wilford	0.60	Review outstanding cheques to clear re Banking: On-line banking; Review ledger and disbursements; Correspondences with team for review/direction/approval; Prepare stop payment request; Bank letter; Void payment and re-issue dividend payment to new mailing address; Email correspondences to and from Bank; Posting entries; Issue cheque; Notify team; General banking administration.
May 12, 2021	Jason Kanji	0.50	Call with counsel re: Cross examination.
May 13, 2021	Rosa Wilford	0.10	General banking and file administration.
May 13, 2021	Jonathan Krieger	2.80	Review of materials re: examination; Correspond and call with counsel; Discussions with team re: additional information.
May 14, 2021	Valerie Naccarato	0.20	File administration.
May 17, 2021	Jonathan Krieger	2.80	Review of materials re: litigation; Correspond with counsel; Discussions with team thereto.
May 17, 2021	Jason Kanji	2.10	Review affidavit for cross examination; Calls internally re: facts of affidavit; Review books and records re: Timmins property; Internal call re: cross examination.
May 17, 2021	Jason Knight	0.40	Phone call with team re: update on file and items addressed in affidavit materials; Review various materials and email and draft correspondence to team re: same.
May 17, 2021	Gladys Nmoye	2.50	IR
May 18, 2021	Gladys Nmoye	6.25	IR
May 18, 2021	Sandy Boucher	1.30	Review findings and oversight with G. Nmoye, briefing for J. Krieger.
May 18, 2021	Valerie Naccarato	0.20	File administration.
May 18, 2021	Jason Kanji	2.30	Internal calls re: cross examination; Review of books and records; Calls with Forensics team and review of information provided re: Troy Wilson and affiliations

Date	Full Name	Hours	Detail
May 18, 2021	Jonathan Krieger	4.60	Correspondence and discussions with counsel; Preparation re: litigation examination; Correspond with team; Review of information.
May 19, 2021	Jonathan Krieger	2.00	Preparation for litigation examination; Correspond with team; Correspond with counsel.
May 19, 2021	Jason Kanji	1.20	Correspond with counsel re: Timmins; Correspond with Enbridge re: Timmins property equipment retirement
May 19, 2021	Sandy Boucher	0.15	Review of further results and instructions.
May 19, 2021	Gladys Nmoye	5.50	IR
May 20, 2021	Jonathan Krieger	0.60	Review of matters re: settlement offer; Correspond with team.
May 21, 2021	Jason Kanji	0.70	Review of settlement offer
May 25, 2021	Jonathan Krieger	1.80	Correspondence with counsel; Review of matters re: terms of settlement; Correspondence thereto; Review of analysis from team; Preparation for litigation.
May 25, 2021	Jason Kanji	3.30	Timmins settlement review; Correspondence internally and with counsel re: cross examinations and potential settlement.
May 26, 2021	Jonathan Krieger	1.30	Preparation litigation examination; Correspond with counsel re: settlement matters; Correspond with team re: review of additional information.
June 1, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests; Notify authorized signing officer for approval; Provide supporting documentation; Email; Prepare disbursement requisition form; Prepare bank letter; Setup accrual payments; General banking administration.
June 2, 2021	Jason Kanji	1.80	Review of settlement minutes; Provide comments to Counsel on the same; General proceedings updates.

Date	Full Name	Hours	Detail
June 3, 2021	Rosa Wilford	0.80	Correspondences to and from Bank for authorization of wire transfer/confirmation; Fax; Emails; Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation; On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile May statement; Print Summary of Estate Balance Report; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
June 4, 2021	Valerie Naccarato	0.20	File administration.
June 7, 2021	Jason Kanji	3.30	Draft report to court; Follow up with interested party in Timiskaming Property.
June 8, 2021	Rosa Wilford	0.30	Reconcile May 2021 GIC term deposits; Print copies; Attach to initial report; Provide to signing officer.
June 8, 2021	Rania Erian	0.80	Administration matters.
June 10, 2021	Rosa Wilford	0.50	Review internal email instructions from team re Banking; Review account ledger/report; Prepare disbursement requisition form; Prepare Bank letter; Correspondences to and from Chaitons; Respond to team with supporting documentation; Setup accrual payments; Emails.
June 14, 2021	Jason Kanji	1.50	Call with counsel re: Timmins settlement; Draft and review court report.
June 15, 2021	Jason Kanji	2.30	Call with interested party on Timiskaming property; Draft report to court; Review discharge matters.
June 17, 2021	Jonathan Krieger	0.90	Review of banking matters re: Moneygate; Correspondence re: distributions; Correspondence with trust banking team; Correspondence re: litigation matters, settlement status.
June 17, 2021	Rosa Wilford	0.50	Correspondences to and from Bank for authorization of wire transfer/confirmation; Fax; Emails; Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation.
June 18, 2021	Valerie Naccarato	0.10	Scan receipt to server and file original.
June 18, 2021	Jonathan Krieger	0.70	Review of matters re: remaining assets, next steps thereto.

Date	Full Name	Hours	Detail
June 23, 2021	Jonathan Krieger	0.60	Review of correspondence re: status of settlement; Correspondence re: remaining assets.
June 25, 2021	Jonathan Krieger	0.40	Follow up on settlement matters; Review of considerations thereto.

Time Summary

J. Krieger, Sr. Vice President	26.00	hours @	\$640.00 per hour	\$ 16,640.00
J. Knight, Vice President	0.40	hours @	\$495.00 per hour	\$ 198.00
S. Boucher, Principal	1.45	hours @	\$475.00 per hour	\$ 688.75
J. Kanji, Manager	25.60	hours @	\$320.00 per hour	\$ 8,192.00
R. Wilford, Manager	8.60	hours @	\$280.00 per hour	\$ 2,408.00
V. Naccarato, Associate	2.60	hours @	\$150.00 per hour	\$ 390.00
R. Erian, Associate	2.20	hours @	\$150.00 per hour	\$ 330.00
G. Nmoye, Associate	14.25	hours @	\$130.00 per hour	\$ 1,852.50
	81.10			\$ 30,699.25
5% Administration and Technology fees				\$ 1,534.96
				\$ 32,234.21
HST @13%				\$ 4,190.45
Total Due				\$ 36,424.66

**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-7721**

To professional services rendered as Receiver for the period from July 1, 2021 to September 30, 2021.

Date	Full Name	Time	Detail
July 8, 2021	Jonathan Krieger	0.50	Correspondence from investor; Follow up queries with team; Correspondence thereto.
July 21, 2021	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile June statement; reconcile June GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
July 21, 2021	Rania Erian	0.60	Administration matters re: reporting.
August 4, 2021	Rosa Wilford	0.60	Review account ledger for maturing GIC's; Correspondences to and from Bank to provide copies of investment certificate; Review document; Prepare receipt and disbursement requisitions forms for matured / renewed GIC's principal and interest; Post entries; Update schedule. Email.
August 4, 2021	Jason Kanji	0.50	Correspond with investors.

Date	Full Name	Time	Detail
August 5, 2021	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile July statement; reconcile July GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliation and initial report; Provide to authorized officer for review and signing.
August 5, 2021	Jonathan Krieger	1.00	Review of documents re: file status; Correspondence with team.
August 6, 2021	Rosa Wilford	1.00	Review internal email instructions from team re Banking; Review account ledger; Review payment requests; Notify team with account current balance / provide direction; Prepare Bank letters for signing re: GIC Investment/Wire Transfer; Prepare receipt and disbursement requisition forms; Set-up accrual receipts / payments; Emails.
August 6, 2021	Jonathan Krieger	0.50	Inquiries from investor; Correspondence with team re: remaining matters.
August 11, 2021	Jason Kanji	1.00	Follow up with investor inquiries; Follow up with interested party for Timiskaming property; Internal updates on file.
August 11, 2021	Rosa Wilford	0.50	Correspondences to and from Bank re GIC redemption; Fax; On-line banking: Review and print screens confirming receipt of investment funds/interest; Post receipt and interest entries; Run and match to report; Update GIC Schedule; Notify team with supporting banking report; Emails.
August 12, 2021	Rosa Wilford	0.50	Correspondences to and from Bank for authorization of wire transfer/confirmation; Fax; Emails; Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation.
August 19, 2021	Valerie Naccarato	0.30	Scan disbursements and receipt to server and file originals.
August 31, 2021	Jonathan Krieger	0.50	Correspondence with team re: banking matters;
September 1, 2021	Valerie Naccarato	0.30	Review internal instructions; Prepare letter to bank to collapse partial GIC; Email signing officers for approval; Email bank.
September 7, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking; On-line banking review account and print screens re expecting redemption; Post receipt and interest entries; Run and match to report; Update GIC Schedule; Notify team.

Date	Full Name	Time	Detail
September 8, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review account ledger; Review payment requests; Notify signing officer for review, approvals; Prepare disbursement requisition forms; Post invoice entries; Issue cheque; Email.
September 9, 2021	Jason Kanji	1.00	Calls with investors; Review distribution matters
September 10, 2021	Valerie Naccarato	0.20	Scan receipt and disbursement to server and file originals.
September 20, 2021	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile August statement; reconcile August GIC term deposit; Print Summary of Estate Balance Report; Print and attach copy of investment; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
September 20, 2021	Jonathan Krieger	0.40	Inquiries re: status of litigation;
September 29, 2021	Jonathan Krieger	0.50	Follow up on litigation matters; inquiries thereto; Review of materials;
September 30, 2021	Jonathan Krieger	0.60	Correspondence with counsel re: matters related to litigation, inquiries re: defendant;
September 30, 2021	Rosa Wilford	0.30	Review estate account for maturing GIC investments; Prepare list; Correspondence with Bank; Email.
September 30, 2021	Jason Kanji	0.50	Correspond with counsel re: Timmins property

Time Summary

J. Krieger, Sr. Vice President	4.00 hours @ \$640.00 per hour	\$ 2,560.00
J. Kanji, Manager	3.00 hours @ \$320.00 per hour	\$ 960.00
R. Wilford, Manager	5.90 hours @ \$280.00 per hour	\$ 1,652.00
V. Naccarato, Associate	0.80 hours @ \$150.00 per hour	\$ 120.00
R. Erian, Associate	0.60 hours @ \$150.00 per hour	\$ 90.00
	<u>14.30</u>	<u>\$ 5,382.00</u>
5% Administration and Technology fees		<u>\$ 269.10</u>
		\$ 5,651.10
HST @13%		<u>\$ 734.64</u>
Total Due		<u>\$ 6,385.74</u>

**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-7841**

To professional services rendered as Receiver for the period from October 1, 2021 to November 30, 2021.

Date	Full Name	Time	Detail
October 1, 2021	Jason Kanji	0.50	General receivership matters.
October 4, 2021	Jonathan Krieger	1.40	Review of case information; Review of litigation matters; Correspondence re: remaining steps.
October 5, 2021	Valerie Naccarato	0.20	Scan individually signed reconciliation of account with supporting documentation in estate folders on server re August 2021; file in cabinet.
October 7, 2021	Jonathan Krieger	0.70	Correspondence from counsel; Review of same; Communications thereto re: litigation matters.

Date	Full Name	Time	Detail
October 7, 2021	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile September statement; reconcile September GIC term deposits; Print Summary of Estate Balance Report; Print and attach copy of investment; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
October 8, 2021	Jason Kanji	0.50	Updates with investors.
October 8, 2021	Jonathan Krieger	0.50	Review of correspondence re: matters related to mortgages, litigation matters.
October 12, 2021	Jason Kanji	0.50	Respond to investor inquiries.
October 12, 2021	Rania Erian	0.90	Administration matters re: reporting.
October 13, 2021	Jason Kanji	0.60	Call with P. Katebian re: investor holdings; Respond to investor requests.
October 14, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review account ledger; Review payment requests; Notify signing officer for review and approval; Prepare disbursement requisition forms; Post invoice entries; Issue cheque; Email.
October 20, 2021	Jonathan Krieger	0.50	Correspondence with counsel re: ancillary matters, status of proceedings, position taken.
October 21, 2021	Jonathan Krieger	0.90	Correspondence with counsel re: request for information, timeline for examinations; Corr and discussions with team re: same, information required.
October 22, 2021	Jason Kanji	1.00	Review MGMIC file and respond to counsel re: OSC inquiry.
October 22, 2021	Jonathan Krieger	0.50	Review of communications re: status of administration; Communications with team.
October 22, 2021	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.
October 25, 2021	Rosa Wilford	0.20	Review internal instructions from team re Banking; Review account/ledger; Review payments; Respond to team.
October 26, 2021	Jonathan Krieger	0.50	Review of materials re: ongoing litigation matters; Communications thereto.
October 27, 2021	Jonathan Krieger	0.80	Correspondence from counsel re: matters related to ongoing proceedings, Temiskaming; Timmins matters.

Date	Full Name	Time	Detail
October 27, 2021	Rosa Wilford	0.50	Correspondences to and from Bank for authorization of wire transfer/confirmation; Fax; Emails; Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation.
October 29, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking: Review account ledger; Review payment requests; Prepare disbursement requisition form; Post invoice entries; Issue cheque; Email.
November 4, 2021	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.
November 9, 2021	Jonathan Krieger	0.70	Correspondence with counsel re: update to OSC, considerations re: T. Wilson examination; Call with counsel re: comments and direction on proposal.
November 9, 2021	Rosa Wilford	0.30	Review internal email instructions from team re Banking: Review account ledger; Review payment requests; Notify signing officer for review and approval; Prepare disbursement requisition forms; Post invoice entries; Issue cheque; Email.
November 10, 2021	Jonathan Krieger	0.30	Correspondence with counsel re: matters related to examination nonattendance; Correspondence re: next steps.
November 10, 2021	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile October statement; reconcile October GIC term deposits; Print Summary of Estate Balance Report; Print and attach copy of investments; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
November 12, 2021	Jonathan Krieger	0.90	Review of draft correspondence; Discussions with team; Comments thereto.
November 12, 2021	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.
November 25, 2021	Jason Kanji	4.80	Prepare distribution worksheet; Calls with investors to provide update on proceedings.
November 26, 2021	Jason Kanji	2.20	Review proceeding matters re: Timmins and Timiskaming; General banking matters; Prepare and Review distribution list.
November 26, 2021	Jonathan Krieger	0.50	Correspondence with counsel re: matters related to proposed settlement.

Date	Full Name	Time	Detail
November 29, 2021	Jason Kanji	1.20	Review banking matters relating to 239. Internal correspondence re: Timmins property
November 29, 2021	Jonathan Krieger	1.10	Correspondence from counsel re: matters related to proposed settlement; Communications with team; Call with counsel re: alternatives and recommended approach.
November 30, 2021	Jonathan Krieger	0.50	Correspondence with team re: proposal and Receiver's position.

Time Summary

J. Krieger, Sr. Vice President	9.80 hours @ \$640.00 per hour	\$ 6,272.00
J. Kanji, Manager	11.30 hours @ \$320.00 per hour	\$ 3,616.00
R. Wilford, Manager	3.20 hours @ \$280.00 per hour	\$ 896.00
V. Naccarato, Associate	0.80 hours @ \$150.00 per hour	\$ 120.00
R. Erian, Associate	0.90 hours @ \$150.00 per hour	\$ 135.00
	<u>26.00</u>	<u>\$ 11,039.00</u>
5% Administration and Technology fees		<u>\$ 551.95</u>
		<u>\$ 11,590.95</u>
HST @13%		<u>\$ 1,506.82</u>
Total Due		<u><u>\$ 13,097.77</u></u>

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

- and -

Applicant

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-7962**

To professional services rendered as Receiver for the period from December 3, 2021 to January 20, 2022.

Date	Full Name	Time	Detail
December 3, 2021	Jonathan Krieger	0.30	Correspondence with counsel re: settlement matters.
December 6, 2021	Jonathan Krieger	0.20	Correspondence and discussion with team re: analytics of proposed distribution.
December 8, 2021	Jonathan Krieger	0.60	Correspondence re: matters related to proposed distribution; communications re; matters related to summary judgement motion; Correspondence re; ongoing litigation matters.
December 8, 2021	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile November statement; reconcile November GIC term deposits; Print Summary of Estate Balance Report; Print and attach copy of investment; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
December 9, 2021	Rania Erian	0.80	Administration matters re: reporting.
December 10, 2021	Jonathan Krieger	0.20	Query from party on MG distributions.
December 14, 2021	Jonathan Krieger	0.50	Investor inquiries; Correspondence with team thereto.

Date	Full Name	Time	Detail
December 15, 2021	Jonathan Krieger	0.70	Correspondence re; proposed distribution; Correspond with team.
December 15, 2021	Rosa Wilford	0.80	Review internal email instructions from team re Banking: Review account ledger; Review payment requests; Notify signing officer for review and approvals; Prepare disbursement requisition forms; Post invoice entries; Issue cheques; Emails.
December 16, 2021	Jonathan Krieger	0.50	Review of matters re: 239 accounts; Correspond with team; Correspondence from counsel.
December 17, 2021	Valerie Naccarato	0.20	Scan cheque requisition forms to server, file originals.
January 5, 2022	Jason Kanji	1.00	Review draft order; Correspond with interested party on Timiskaming property.
January 5, 2022	Jonathan Krieger	0.50	Correspondence with team re: draft order; Correspondence from counsel.
January 11, 2022	Lucia Pileggi	0.50	Administration matters re: reporting.
January 13, 2022	Jason Kanji	1.10	Review client account information; Distribution matters: Review of timiskaming and timmin property matters.
January 13, 2022	Rosa Wilford	0.30	Review internal email instructions from team re Banking: Review account ledger; Review payment requests; Notify signing officer for review and approval; Prepare disbursement requisition forms; Post invoice entries; Issue cheque; Email.
January 14, 2022	Jonathan Krieger	0.50	Correspondence re; proposed settlement; Review of communications from counsel; Discussions thereto.
January 17, 2022	Jonathan Krieger	0.50	Review of correspondence from counsel; Discussion with team re; matters related to potential settlement; Conf call with counsel thereto.
January 19, 2022	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile December statement; reconcile December GIC term deposits; Print Summary of Estate Balance Report; Print and attach copy of investments; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
January 20, 2022	Valerie Naccarato	0.20	Scan cheque requisition form, file original.

Time Summary

J. Krieger, Sr. Vice President	1.50 hours @ \$695.00 per hour	\$ 1,042.50
	3.00 hours @ \$640.00 per hour	\$ 1,920.00
J. Kanji, Sr. Manager	2.10 hours @ \$375.00 per hour	\$ 787.50
R. Wilford, Manager	1.10 hours @ \$295.00 per hour	\$ 324.50
	1.60 hours @ \$280.00 per hour	\$ 448.00
V. Naccarato, Associate	0.20 hours @ \$165.00 per hour	\$ 33.00
	0.20 hours @ \$150.00 per hour	\$ 30.00
L. Pileggi, Analyst	0.50 hours @ \$165.00 per hour	\$ 82.50
R. Erian, Associate	0.80 hours @ \$150.00 per hour	\$ 120.00
	11.00	\$ 4,788.00
5% Administration and Technology fees		\$ 239.40
		\$ 5,027.40
HST @13%		\$ 653.56
		\$ 5,680.96
Total Due		<u><u>\$ 5,680.96</u></u>

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

- and -

Applicant

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-8117**

To professional services rendered as Receiver for the period from February 1, 2022 to March 30, 2022.

Date	Full Name	Time	Detail
February 1, 2022	Jonathan Krieger	0.30	Correspondence from counsel; Correspond with Chaitons re: matters related to settlement; Correspond with team.
February 2, 2022	Jonathan Krieger	0.40	Call with counsel re: matters related to proposed settlement.
February 3, 2022	Jonathan Krieger	0.30	Correspondence with counsel re; settlement matters; Correspond with team.
February 4, 2022	Jason Kanji	0.50	Review matters re: Timiskaming and the MOE.
February 9, 2022	Rosa Wilford	0.80	Review estate bank account/print screens; Post EFT entries; and reconcile January statement; reconcile January GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
February 11, 2022	Jason Kanji	0.50	Correspond with counsel re: Timiskaming environmental matters.
February 14, 2022	Jonathan Krieger	0.30	Correspondence and call with team re: access to documentation to make decisions, comments re: remaining mortgages.

Date	Full Name	Time	Detail
February 15, 2022	Jason Kanji	1.00	Respond to investor inquiries.
February 16, 2022	Jason Kanji	0.50	Correspond with opposing counsel re: 239 bank statements and court order accordingly.
February 18, 2022	Rosa Wilford	0.50	Review internal email instructions from team re Banking; Review payment requests and authorized approval; Review account ledger; Prepare disbursement requisition form; Prepare bank letter re transfer; Set-up accrual payment; Emails.
February 23, 2022	Rosa Wilford	0.50	Correspondences to and from Bank for authorization of wire transfer/confirmation; Fax; Emails; Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation.
February 28, 2022	Jason Kanji	1.00	Follow up with creditors on distributions; Calls with investors re: same.
March 1, 2022	Jason Kanji	0.50	Correspond with counsel re: environmental matters
March 1, 2022	Jonathan Krieger	0.30	Call with counsel re: matters related to proposed settlement; required information.
March 4, 2022	Jonathan Krieger	0.30	Correspond with counsel Communications with team.
March 8, 2022	Rosa Wilford	0.80	Review estate bank account/print screens; Post EFT entries; and reconcile February statement; reconcile February GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
March 9, 2022	Jason Kanji	1.20	Prepare for and attend hearing re: Troy Wilson scheduling hearing; Call with counsel and follow up with team re: same.
March 9, 2022	Jonathan Krieger	0.20	Discussions with team re; court attendance.
March 10, 2022	Jason Kanji	0.50	Review information re: expert report on Troy emails.
March 10, 2022	Jonathan Krieger	0.80	Discussion with team re; matters related to investor matters; Correspondence re: forensic review.
March 14, 2022	Jonathan Krieger	0.50	Review of matters re: court hearing; Settlement status.
March 15, 2022	Jason Kanji	1.00	Discussion with team re: forensics report; Correspond with new lawyers re: environmental matters pertaining to Timiskaming; Respond to investor inquiries.
March 15, 2022	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review account ledger; Review payment request; Notify signing officer for review and approval; Prepare disbursement requisition form; Post invoice entries; Issue cheque; Email.

Date	Full Name	Time	Detail
March 16, 2022	Jonathan Krieger	0.40	Correspondence and discussion with team re; property and litigation matters.
March 17, 2022	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.
March 23, 2022	Jonathan Krieger	1.50	Correspondence from counsel; Review of Mansteel reporting; Correspond with team thereto.
March 28, 2022	Jonathan Krieger	0.40	Correspond with team re; matters related to investor inquiries; review of property condition report.
March 29, 2022	Jason Kanji	0.50	Review of Timiskaming report; Correspond with interested party.
March 29, 2022	Jonathan Krieger	1.00	Correspondence with counsel re: matters related to settlement; Correspond with team re: matters related to enviro report, interest in property.
March 30, 2022	Jonathan Krieger	0.50	Communications from counsel; Correspond with team re: matters related to interest in property.

Time Summary

J. Krieger, Sr. Vice President	7.20 hours @ \$695.00 per hour	\$ 5,004.00
J. Kanji, Sr. Manager	7.20 hours @ \$375.00 per hour	\$ 2,700.00
R. Wilford, Manager	2.90 hours @ \$295.00 per hour	\$ 855.50
V. Naccarato, Associate	0.20 hours @ \$165.00 per hour	\$ 33.00
	<u>17.50</u>	<u>\$ 8,592.50</u>
5% Administration and Technology fees		<u>\$ 429.63</u>
		\$ 9,022.13
HST @13%		<u>\$ 1,172.88</u>
Total Due		<u>\$ 10,195.00</u>

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

BETWEEN:

ONTARIO SECURITIES COMMISSION

- and -

Applicant

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#LSO-8187**

To professional services rendered as Receiver for the period from April 1, 2022 to April 30, 2022.

Date	Full Name	Time	Detail
April 14, 2022	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile March statement; reconcile March GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
April 19, 2022	Jonathan Krieger	0.80	Correspondence from counsel; Discussions with team re: matters related to proposed settlement.
April 20, 2022	Jason Kanji	1.00	Review of Timmins and Timiskaming properties; Discussion with interested party and correspondence with MOE.

Date	Full Name	Time	Detail
April 27, 2022	Rosa Wilford	1.30	Review internal email instructions from team re Banking; Review payment requests; Review account ledger; Notify team insufficient funds in estate account and provide details on Investments on hand for review and direction; Prepare bank letter re partial redemption of GIC; Notify authorized signing officer for review / approval and secured signing; Correspondences with Bank; re partial GIC Investment; Fax; Emails. Prepare disbursement requisition form; Setup accrual payments; Prepare Bank letter re wire transfer; Correspondences to and from team re secured signing; Emails.
April 27, 2022	Jonathan Krieger	0.50	Correspondence with team re: matters related to proposed settlement, position of interested party.
April 27, 2022	Jason Kanji	0.50	Review of Timiskaming and Timmins matters.
April 28, 2022	Rosa Wilford	2.00	Review Correspondences from Bank; Confirming partial GIC Investment redeemed; On-line Banking; Review print screens; Prepare receipt requisition form; Post receipt and interest entries; Update GIC Schedule; Match to reports; Notify team; Respond to Bank; Emails. Correspondences to and from Bank for authorization of wire transfer/confirmation; Fax; Emails; Post disbursement and payment entries; Print and attach transaction report; Provide team with wire confirmation. Correspondences to and from Bank to provide copies of matured investment certificates; Review documents; Prepare receipt and disbursement requisitions forms for matured / renewed GIC's principal and interest; Post entries; Update schedule. Emails.

Time Summary

J. Krieger, Sr. Vice President	1.30 hours @	\$695.00 per hour	\$ 903.50
J. Kanji, Sr. Manager	1.50 hours @	\$375.00 per hour	\$ 562.50
R. Wilford, Manager	4.10 hours @	\$295.00 per hour	\$ 1,209.50
	6.90		\$ 2,675.50
5% Administration and Technology fees			\$ 133.78
			\$ 2,809.28
HST @13%			\$ 365.21
Total Due			\$ 3,174.49

**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#LSO-8238**

To professional services rendered as Receiver for the period from May 1, 2022 to May 31, 2022.

Date	Full Name	Time	Detail
May 2, 2022	Jason Kanji	0.50	Call with counsel re: Timiskaming and Timmins matters and discharge matters.
May 2, 2022	Jonathan Krieger	0.30	Correspondence and discussions with team re: settlement communications.
May 4, 2022	Valerie Naccarato	0.20	Scan cheque and deposit requisition forms to server and file originals.
May 5, 2022	Jonathan Krieger	0.50	Call from investor re: tax matters; Correspond with team thereto.
May 9, 2022	Rosa Wilford	1.00	Review estate bank account/print screens; Post EFT entries; and reconcile April statement; reconcile April GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliation and initial report; Provide to authorized officer for review and signing.
May 10, 2022	Jonathan Krieger	0.90	Correspond with team re: matters related to reporting; Correspond from counsel re: request for meeting; Correspondence re: matters related to file completion.
May 13, 2022	Jonathan Krieger	0.80	Review of correspondence from counsel; Correspond with team; Review of matters re: timeline to settle.

Date	Full Name	Time	Detail
May 16, 2022	Jason Kanji	1.00	Prepare for and attend call with OSC; Call with counsel on Timmins and Timiskaming matters.
May 16, 2022	Jonathan Krieger	1.10	Preparation for and attendance on call with OSC; Correspond re: matters related to proceedings; Correspond with team re; remaining mortgages.
May 20, 2022	Jonathan Krieger	1.20	Correspond with team re: investor queries; Correspond with counsel re: proposed settlement.
May 24, 2022	Jonathan Krieger	0.30	Correspondence with counsel re: settlement proposal, considerations thereto; Call thereto.
May 25, 2022	Jonathan Krieger	0.40	Correspond with counsel re: proposed settlement; Correspond with team thereto;
May 31, 2022	Jason Kanji	0.50	Prepare for and attend call with investor.

Time Summary

J. Krieger, Sr. Vice President	5.50	hours @	\$695.00 per hour	\$ 3,822.50
J. Kanji, Sr. Manager	2.00	hours @	\$375.00 per hour	\$ 750.00
R. Wilford, Manager	1.00	hours @	\$295.00 per hour	\$ 295.00
V. Naccarato, Analyst	0.20	hours @	\$165.00 per hour	\$ 33.00
	8.70			\$ 4,900.50
5% Administration and Technology fees				\$ 245.03
				\$ 5,145.53
HST @13%				\$ 668.92
Total Due				\$ 5,814.45

**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-8342**

To professional services rendered as Receiver for the period from June 1, 2022 to June 30, 2022.

Date	Full Name	Detail	Time
June 1, 2022	Rosa Wilford	Review mail from banking institution re GIC Investment Certificates; Review account ledger; Match to estate account; Scan and save on server.	0.30
June 3, 2022	Jonathan Krieger	Review of correspondence; Follow up with counsel re: settlement.	0.30
June 6, 2022	Jonathan Krieger	Review of draft materials; Correspondence with counsel.	1.00
June 7, 2022	Jonathan Krieger	Correspondence re; matters related to report; Correspond with team thereto; Communications with counsel.	0.70
June 7, 2022	Lucia Pileggi	Prepare affidavit of fees.	1.00
June 8, 2022	Jonathan Krieger	Prepare materials re: Court report.	1.10

Date	Full Name	Detail	Time
June 13, 2022	Rosa Wilford	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile May statement; reconcile May GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliations and initial report; Provide to authorized officer for review and signing.	0.80
June 15, 2022	Jonathan Krieger	Review of matters re: litigation settlement; Correspond with team re: reporting.	0.50
June 20, 2022	Rosa Wilford	Review internal email instructions from team re Banking; Review account ledger; Review payment request; Notify signing officer for review and approval; Prepare disbursement requisition form; Post invoice entries; Issue cheque; Email.	0.40
June 24, 2022	Jason Kanji	Review matters relating to the receivership and finalization of the same; Respond to investor inquiries	1.00
June 28, 2022	Rosa Wilford	Review account ledger for maturing GIC; Correspondences to and from Bank to provide copies of investment certificate; Email.	0.30
June 29, 2022	Rosa Wilford	Correspondence from Bank and review copies of matured investment certificates; Review documents; Prepare receipt and disbursement requisitions forms for matured / renewed GIC's principal and interest; Post entries; Update schedule. Emails.	0.50
June 30, 2022	Valerie Naccarato	Scan cheque requisition form to server and file original.	0.20

Time Summary

J. Krieger, Sr. Vice President	3.60 hours @ \$695.00 per hour	\$ 2,502.00
J. Kanji, Sr. Manager	1.00 hours @ \$375.00 per hour	\$ 375.00
R. Wilford, Manager	2.30 hours @ \$295.00 per hour	\$ 678.50
V. Naccarato, Analyst	0.20 hours @ \$165.00 per hour	\$ 33.00
L. Pileggi, Analyst	1.00 hours @ \$165.00 per hour	\$ 165.00
	8.10	\$ 3,753.50
5% Administration and Technology fees		\$ 187.68
		\$ 3,941.18
HST @13%		\$ 512.35
Total Due		<u>\$ 4,453.53</u>

**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-8508**

To professional services rendered as Receiver for the period from July 1, 2022 to September 30, 2022.

Date	Full Name	Time	Detail
July 6, 2022	Valerie Naccarato	0.20	Scan cheque and deposit requisition forms to server and file originals.
July 13, 2022	Rosa Wilford	0.50	Review internal email instructions from team re Banking; Review payment requests; Review account ledger; Notify team insufficient funds in estate account and provide details on Investments on hand for review and direction; Prepare bank letter re partial redemption of GIC; Emails.
July 14, 2022	Jonathan Krieger	0.50	Review of reconciliation with banking team; Discussions thereto;
July 14, 2022	Rosa Wilford	1.50	Correspondences to and from Bank re partial GIC Investment; Review correspondences confirming GIC redeemed; On-line Banking; Review print screens; Prepare receipt requisition form; Post receipt and interest entries; Update GIC Schedule; Match to reports; Notify team; Respond to Bank; Review payment requests; Prepare disbursement requisition forms; Post invoice entries; Issue cheques; Emails.

Date	Full Name	Time	Detail
July 19, 2022	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile June statement; reconcile June GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliations and initial report; Provide to authorized officer for review and signing.
July 20, 2022	Rosa Wilford	0.30	Scan cheques and signed receipt and disbursement requisition forms to server and provide to team for filing originals.
August 3, 2022	Jonathan Krieger	0.50	Review of file completion matters; Correspond with team.
August 4, 2022	Jonathan Krieger	0.70	Correspond re; litigation matters, Correspond re; investor communications.
August 8, 2022	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests and authorized approval; Review account ledger; Prepare disbursement requisition form; Post invoice entries; Issue cheque; Email.
August 10, 2022	Jonathan Krieger	0.50	Review of matters re: completion of settlement; Correspond re: investor inquiries.
August 12, 2022	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.
August 18, 2022	Rosa Wilford	1.00	On-line banking; Review estate bank accounts/print screens; Post EFT entries; and reconcile July statements; reconcile July GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliation and initial report; Provide to authorized officer for review and signing.
September 12, 2022	Jonathan Krieger	0.50	Correspond with Chaitons re; summary judgement; Correspond with team re; considerations thereto.
September 14, 2022	Jonathan Krieger	0.80	Review of matters re; proposed settlement; Correspond with counsel; Discussions with team.
September 15, 2022	Jonathan Krieger	0.30	Call with Company re; matters related to settlement; Call with team.
September 16, 2022	Jason Kanji	1.00	Review of administration matters; Correspond with investors.
September 16, 2022	Rosa Wilford	0.80	On-line banking; Review estate bank accounts/print screens; Post EFT entries; and reconcile August statements; reconcile August GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliation and initial report; Provide to authorized officer for review and signing.
September 22, 2022	Jonathan Krieger	1.00	Review of draft agreement; Correspond with team; Correspond with counsel; Comments re; agreement; Instructions re: sign off.

Date	Full Name	Time	Detail
September 23, 2022	Jason Kanji	1.00	Correspond with investors; Review settlement agreement.
September 23, 2022	Jonathan Krieger	0.50	Matters re: finalizing settlement agreement; Correspond with counsel.

Time Summary

J. Krieger, Sr. Vice President	5.30	hours @	\$695.00 per hour	\$ 3,683.50
J. Kanji, Sr. Manager	2.00	hours @	\$375.00 per hour	\$ 750.00
R. Wilford, Manager	5.20	hours @	\$295.00 per hour	\$ 1,534.00
V. Naccarato, Analyst	0.40	hours @	\$165.00 per hour	\$ 66.00
	12.90			\$ 6,033.50
5% Administration and Technology fees				\$ 301.68
				\$ 6,335.18
HST @13%				\$ 823.57
Total Due				\$ 7,158.75

**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-8631**

To professional services rendered as Receiver for the period from October 1, 2022 to November 30, 2022.

Date	Full Name	Time	Detail
October 5, 2022	Jason Kanji	0.50	Calls with investors.
October 13, 2022	Rosa Wilford	0.80	On-line banking; Review estate bank accounts/print screens; Post EFT entries; and reconcile September statements; reconcile September GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliation and initial report; Provide to authorized officer for review and signing.
October 19, 2022	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests; Review account ledger; Notify team for review and approvals; Prepare disbursement requisition form; Post invoice entries; Issue cheque; Emails.
October 20, 2022	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.

Date	Full Name	Time	Detail
October 25, 2022	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests and authorized approval; Review account ledger; Prepare disbursement requisition form; Post invoice entries; Issue cheque; Email.
October 26, 2022	Rosa Wilford	0.20	Prepare mailings; Scan cheques and signed requisition forms to server and provide to team for filing originals.
October 28, 2022	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.
November 8, 2022	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests and authorized approval; Review account ledger; Prepare disbursement requisition form; Post invoice entries; Issue cheque; Email.
November 10, 2022	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.
November 13, 2022	Rosa Wilford	1.00	On-line banking; Review estate bank accounts/print screens; Post EFT entries; and reconcile October statements; reconcile October GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliation and initial report; Provide to authorized officer for review and signing.
November 22, 2022	Jason Kanji	1.10	Review and amend sixth report; Correspond with counsel on the same.
November 22, 2022	Jonathan Krieger	1.60	Review and finalize sixth report.
November 23, 2022	Jonathan Krieger	0.50	Review of motion record; Correspond with team.
November 27, 2022	Ada Shahini	0.30	Upload motion record and 6th report to Court to website and server; Respond to team's email.
November 30, 2022	Jason Kanji	0.50	Review of settlement minutes and motion supporting the same.
November 30, 2022	Jonathan Krieger	0.30	Correspondence re: matters related to adjournment.

Time Summary

J. Krieger, Sr. Vice President	2.40	hours @	\$695.00 per hour	\$	1,668.00
J. Kanji, Sr. Manager	2.10	hours @	\$375.00 per hour	\$	787.50
R. Wilford, Manager	2.90	hours @	\$295.00 per hour	\$	855.50
A. Shahini, Sr. Associate	0.30	hours @	\$200.00 per hour	\$	60.00
V. Naccarato, Analyst	<u>0.60</u>	hours @	\$165.00 per hour	\$	<u>99.00</u>
	8.30			\$	3,470.00
5% Administration and Technology fees				\$	<u>173.50</u>
				\$	3,643.50
HST @13%				\$	<u>473.66</u>
Total Due				\$	<u><u>4,117.16</u></u>

**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#LSO-8771**

To professional services rendered as Receiver for the period from December 1, 2022 to January 31, 2023.

Date	Full Name	Time	Detail
December 1, 2022	Ada Shahini	0.20	Received and uploaded Endorsement on website and server; Responded to team's email.
December 1, 2022	Jason Kanji	0.50	Review court materials and decisions of the same. Correspond with team thereto.
December 1, 2022	Jonathan Krieger	0.50	Review of correspondence re; matters related to settlement and timeline; Correspond with team thereto.
December 5, 2022	Rosa Wilford	1.00	On-line banking; Review estate bank accounts/print screens; Post EFT entries; and reconcile November statements; reconcile November GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliation and initial report; Provide to authorized officer for review and signing.
December 22, 2022	Jonathan Krieger	0.90	Correspond with counsel; Call with counsel re; amending agreement; Execution thereto.
January 3, 2023	Jonathan Krieger	0.50	Review of materials re; matters related to settlement and court date.

Date	Full Name	Time	Detail
January 4, 2023	Ada Shahini	0.20	Uploaded Supplemental Motion Record on the Website and website folder on server; Responded to team's email.
January 4, 2023	Jonathan Krieger	0.30	Correspondence with counsel re; matters related to Katebian position on settlement, next steps.
January 9, 2023	Jonathan Krieger	0.50	Correspondence with counsel re: settlement matters and reporting of same to Court
January 10, 2023	Jason Kanji	1.70	Correspond with counsel on motion; Draft and finalize supplemental report.
January 10, 2023	Jonathan Krieger	0.10	Review and comments on draft report; Correspond with counsel; Correspond with team.
January 10, 2023	Jonathan Krieger	1.40	Review and comments on draft report; Correspond with counsel; Correspond with team.
January 11, 2023	Ada Shahini	0.20	Uploaded Supplementary to the 6th report of Receiver and Factum on the website and website folder on the server; Emailed team back.
January 11, 2023	Jason Kanji	0.50	Correspond with counsel on appraisal matters.
January 13, 2023	Jonathan Krieger	1.00	Review of motion materials; Correspond thereto.
January 14, 2023	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile December statements; reconcile December GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliation and initial report; Provide to authorized officer for review and signing.
January 16, 2023	Jonathan Krieger	0.40	Correspond with counsel re; matters related to Court hearing.
January 17, 2023	Jonathan Krieger	0.10	Correspondence with counsel re: court hearing; Correspond re; status of ruling; Correspond re; alternative interest.
January 17, 2023	Jonathan Krieger	1.00	Correspondence with counsel re: court hearing; Correspond re; status of ruling; Corr re; alternative interest.
January 18, 2023	Jason Kanji	0.50	Review motion materials.
January 18, 2023	Jonathan Krieger	0.30	Review of correspondence from counsel re; Timmins.
January 20, 2023	Jonathan Krieger	1.00	Review of Court decision; Correspond with counsel; Correspond with team re; file finalization.
January 26, 2023	Rosa Wilford	0.50	Review payment requests and transfers; Review account ledger; Prepare bank letter re partial GIC redemption; Correspondences with authorized officer for review, approval and signing; Emails.

Date	Full Name	Time	Detail
January 26, 2023	Rosa Wilford	0.50	Review internal email instructions from team re Banking; Review payment requests; Review account ledger; Notify team insufficient funds in estate account and provide details on Investments on hand for review and directions; Prepare bank letter re partial redemption of GIC; Notify authorized signing officer for review / approval and secured signing; Correspondences with Bank; re partial GIC Investment; Fax; Emails; On-line banking review account and print screens re expecting redemption; Post receipt and interest entries; Run and match to report; Update GIC Schedule; Emails.
January 27, 2023	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment requests and authorized approval; Review account ledger; Prepare disbursement requisition form; Post invoice entries; Issue cheque; Email.
January 30, 2023	Jonathan Krieger	0.50	Correspond re; settlement matters and timeline; Discussions thereto.
January 31, 2023	Jason Kanji	0.30	Follow up re: settlement proceedings.
January 31, 2023	Rosa Wilford	0.30	Review GIC Investments maturing; Correspondences with Bank to provide re-invested GICs: Email. Review internal email instructions from team re Banking; On-line banking; Review and print screens for expecting incoming wire; Respond to team.
January 31, 2023	Rosa Wilford	0.10	Review GIC Investments maturing; Correspondences with Bank to provide re-invested GICs: Email.

Time Summary

J. Krieger, Sr. Vice President	7.10 hours @	\$765.00 per hour	\$ 5,431.50
	1.40 hours @	\$695.00 per hour	\$ 973.00
J. Kanji, Sr. Manager	3.00 hours @	\$425.00 per hour	\$ 1,275.00
	0.50 hours @	\$375.00 per hour	\$ 187.50
R. Wilford, Manager	2.50 hours @	\$350.00 per hour	\$ 875.00
	1.00 hours @	\$295.00 per hour	\$ 295.00
A. Shahini, Sr. Associate	0.40 hours @	\$305.00 per hour	\$ 122.00
	0.20 hours @	\$200.00 per hour	\$ 40.00
	16.10		\$ 9,199.00
5% Administration and Technology fees			\$ 459.95
			\$ 9,658.95
HST @13%			\$ 1,255.66
Total Due			\$ 10,914.61

**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-8805**

To professional services rendered as Receiver for the period from February 1, 2023 to February 28, 2023.

Date	Full Name	Time	Detail
February 1, 2023	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.
February 1, 2023	Rosa Wilford	0.50	Review internal email instructions from team re Banking; On-line banking through-out the day; Review and print screens for expecting incoming wire; Emails.
February 2, 2023	Rosa Wilford	0.60	Review internal email instructions from team re Banking; On-line banking; Review and print screens; Notify team; Prepare receipt and disbursement requisition forms; Post deposit and eft entries, print slip and stamp date for signing; Respond to emails.
February 2, 2023	Jason Kanji	0.50	Settlement matters; Correspond with counsel on same.
February 5, 2023	Rosa Wilford	0.80	On-line banking; Review estate bank account/print screens; Post EFT entries; and reconcile January statement; reconcile January GIC term deposits; Print Summary of Estate Balance Report; Print and attach copies of investments; Match to reconciliations and initial report; Provide to authorized officer for review and signing.

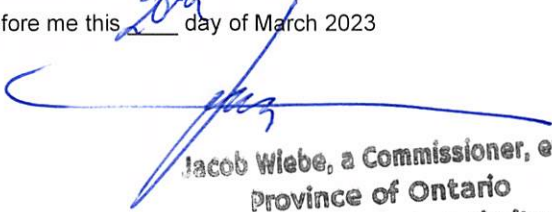
Date	Full Name	Time	Detail
February 6, 2023	Jonathan Krieger	0.60	Correspond with team re; File completion matters.
February 7, 2023	Valerie Naccarato	0.20	Scan deposit requisition form to server and file original.
February 9, 2023	Rosa Wilford	0.50	Review internal email instructions from team re Banking on directions on purchasing new GIC Investment; Review account ledger; Print trial balance and match to support; Prepare Bank letter; Prepare disbursement requisition form with supporting documentation; Setup accrual payment; Provide to authorized signing officers for review and signing; Email.
February 9, 2023	Rosa Wilford	0.30	Review internal email instructions from team re Banking; Review payment request and authorized approval; Review account ledger; Prepare disbursement requisition form; Post invoice entries; Issue cheque; Email.
February 10, 2023	Valerie Naccarato	0.20	Scanned cheque requisition form to server and filed original.
February 10, 2023	Rosa Wilford	0.50	Correspondences to and from Bank for authorization re; new GIC Investment Certificate; Post term deposit entries; Run report; Match to investment; Provide to team with supporting documentation; Update GIC schedule; Email.
February 10, 2023	Jason Kanji	0.50	Call with counsel re: discharge.
February 13, 2023	Matthew Gibbard	3.20	Discussion with Jason on the R&D and the Dividend sheet; Prepare the R&D as well as the dividend sheet; Discuss with Jason; Make changes requested by Jason. Finalize R&D.
February 13, 2023	Jonathan Krieger	0.50	Correspond re: matters re: GICs and settlement matters.
February 13, 2023	Jason Kanji	3.20	Prepare final report for the Receivership; Correspond with investors; Correspond with team re: distributions.
February 14, 2023	Rosa Wilford	0.70	Correspondences to and from Bank re GIC Investment Purchase; On-line banking; Review print screens match to report; Attach support to backup; Email. Review internal email instructions from team re Banking; Review payment requests; Review account ledger; Notify team insufficient funds in estate account; To provide directions/approvals and on redeeming GIC Investment; Prepare Bank letter; Notify authorized signing officers for secured signing; Emails.
February 15, 2023	Valerie Naccarato	0.20	Scan cheque requisition form to server and file original.

Date	Full Name	Time	Detail
February 15, 2023	Rosa Wilford	0.50	Correspondences with Bank; Collapse GIC Investment; Fax; Emails; On-line banking review account and print screens re expecting redemption; Post receipt and interest entries; Run and match to report; Update GIC Schedule; Notify team.
February 16, 2023	Rosa Wilford	0.40	Follow-up correspondences and phone call with Bank re Collapsing Investment; Review confirmation; Post entries; Release payments; On-line banking; Match to redemption; Emails.
February 17, 2023	Rosa Wilford	0.60	Review internal email instructions from team re Banking; Review payment requests and authorized approvals; Review account ledger; Prepare disbursement requisition forms; Post invoice entries; Issue cheques; Emails.
February 21, 2023	Valerie Naccarato	0.20	Scan cheque requisition forms to server and file originals.
February 22, 2023	Jonathan Krieger	0.60	Correspond re: matters related to file completion.
February 23, 2023	Valerie Naccarato	0.20	Scan deposit requisition form to server and file original.
February 24, 2023	Rosa Wilford	0.20	Review estate account for maturing GIC investments; Prepare list; Correspondence with Bank; Email.
February 28, 2023	Jonathan Krieger	1.30	Correspond with counsel re: file completion matters; Discussions thereto re; transfers.
February 28, 2023	Jason Kanji	0.50	Review litigation matters.

Time Summary

J. Krieger, Sr. Vice President	3.00 hours @	\$695.00 per hour	\$ 2,085.00
J. Kanji, Sr. Manager	4.70 hours @	\$430.00 per hour	\$ 2,021.00
R. Wilford, Manager	5.60 hours @	\$350.00 per hour	\$ 1,960.00
M. Gibbard, Sr. Associate	3.20 hours @	\$255.00 per hour	\$ 816.00
V. Naccarato, Analyst	1.20 hours @	\$150.00 per hour	\$ 180.00
	<u>17.70</u>		<u>\$ 7,062.00</u>
5% Administration and Technology fees			<u>\$ 353.10</u>
			<u>\$ 7,415.10</u>
HST @13%			<u>\$ 963.96</u>
Total Due			<u>\$ 8,379.06</u>

Exhibit "B" to the Affidavit of Jonathan Krieger,
sworn before me this 20th day of March 2023



Jacob Wiebe, a Commissioner, etc
Province of Ontario
For Grant Thornton Limited
Expires May 25, 2025

Money Gate Mortgage Investment Corporation
Summary of Billings
October 16, 2020 to February 28, 2023

Date	Hours	Fees	Disbursements	Subtotal	HST	Total
October 16-October 31, 2020	14.00 \$	6,004.95 \$	- \$	6,004.95 \$	780.64 \$	6,785.59
November 1, 2020-December 31, 2020	38.00 \$	13,751.85 \$	- \$	13,751.85 \$	1,787.74 \$	15,539.59
January 1-January 31, 2021	43.10 \$	10,528.88 \$	- \$	10,528.88 \$	1,368.75 \$	11,897.63
February 1 2021-June 30, 2021	81.10 \$	32,234.21 \$	- \$	32,234.21 \$	4,190.45 \$	36,424.66
July 1, 2021-September 30, 2021	14.30 \$	5,651.10 \$	- \$	5,651.10 \$	734.64 \$	6,385.74
October 1, 2021-November 30, 2021	26.00 \$	11,590.95 \$	- \$	11,590.95 \$	1,506.82 \$	13,097.77
December 1, 2021 to January 31, 2022	11.00 \$	5,027.40 \$	- \$	5,027.40 \$	653.56 \$	5,680.96
February 1 2022 to March 31, 2022	17.50 \$	9,022.13 \$	- \$	9,022.13 \$	1,172.88 \$	10,195.00
April 1, 2022-April 30, 2022	6.90 \$	2,809.28 \$	- \$	2,809.28 \$	365.21 \$	3,174.49
May 1, 2022 to May 31, 2022	8.70 \$	5,145.53 \$	- \$	5,145.53 \$	668.92 \$	5,814.45
June 1, 2022 to June 30, 2023	8.10 \$	3,941.18 \$	- \$	3,941.18 \$	512.35 \$	4,453.54
July 1, 2022 to September 30, 2022	12.90 \$	6,335.18 \$	- \$	6,335.18 \$	823.57 \$	7,158.75
October 1, 2022 to November 30, 2022	8.30 \$	3,643.50 \$	- \$	3,643.50 \$	473.66 \$	4,117.16
December 1, 2022 to January 31, 2023	16.10 \$	9,658.95 \$	- \$	9,658.95 \$	1,255.66 \$	10,914.61
February 1, 2023 to February 28, 2023	17.70 \$	7,415.10 \$	- \$	7,415.10 \$	963.96 \$	8,379.06
	323.70 \$	132,760.19 \$	- \$	132,760.19 \$	17,258.82 \$	150,019.01

Average Hourly Rate: 410.13

ONTARIO SECURITIES COMMISSION

- and -

Applicant

MONEY GATE MORTGAGE INVESTMENT CORPORATION

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

Maya Poliak

Tel: 416-218-1161

Fax: 416-218-1837

maya@chaitons.com

Lawyers for the Court-appointed Receiver, Grant Thornton Limited

APPENDIX J

**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 DARREN MARR
(sworn March 16, 2023)

I, DARREN MARR, of the City of Toronto, in the Province of Ontario **MAKE OATH
AND SAY AS FOLLOWS:**

1. I am a lawyer with the law firm of Chaitons LLP ("**Chaitons**"), lawyers for Grant Thornton Limited in its capacity as receiver (the "**Receiver**") without security, of all the properties, assets and undertakings 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 to the Receiver for the time period commencing on October 2, 2020 and ending on February 28, 2023 totalling \$153,833.61 (comprised of fees of \$132,482.50, disbursements of \$3,802.44 and HST of \$17,548.67) with respect to this proceeding:

- (a) **Exhibit "A"** – account dated October 31, 2020, for the period from October 2, 2020 up to and including October 30, 2020;

- (b) **Exhibit “B”** – account dated November 30, 2020, for the period from November 2, 2020 up to and including November 26, 2020;
- (c) **Exhibit “C”** – account dated January 5, 2021, for the period from December 3, 2020 up to and including December, 2020;
- (d) **Exhibit “D”** – account dated March 31, 2021, for the period from January 5, 2021 up to and including March 30, 2021;
- (e) **Exhibit “E”** – account dated March 31, 2021, for the period from April 1, 2021 up to and including May 31, 2021;
- (f) **Exhibit “F”** – account dated July 31, 2021, for the period from January 29, 2020 up to and including July 14, 2021;
- (g) **Exhibit “G”** – account dated September 30, 2021, for the period from September 24, 2021 up to and including September 28, 2021;
- (h) **Exhibit “H”** – account dated October 31, 2021, for the period from October 6, 2021 up to and including October 22, 2021;
- (i) **Exhibit “I”** – account dated November 30, 2021, for the period from November 4, 2021 up to and including November 29, 2021;
- (j) **Exhibit “J”** – account dated January 5, 2022, for the period from December 10, 2021 up to and including December 20, 2021;
- (k) **Exhibit “K”** – account dated February 28, 2022, for the period from January 4, 2022 up to and including February 15, 2022;
- (l) **Exhibit “L”** – account dated June 14, 2022, for the period from March 1, 2022 up to and including May 25, 2022;
- (m) **Exhibit “M”** – account dated September 30, 2022, for the period from June 21, 2022 up to and including September 26, 2022;
- (n) **Exhibit “N”** – account dated October 31, 2022, for the period from October 3, 2022 up to and including October 31, 2022;
- (o) **Exhibit “O”** – account dated November 30, 2022, for the period from November 4, 2022 up to and including November 30, 2022;
- (p) **Exhibit “P”** – account dated January 31, 2023, for the period from December 1, 2022 up to and including January 31, 2023; and
- (q) **Exhibit “Q”** – account dated March 9, 2023, for the period from February 6, 2023 up to and including February 28, 2023.

3. Attached hereto as **Exhibit “R”** is a summary of additional information with respect to the accounts referred to in paragraph 2 above, indicating all members of Chaitons 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 in this matter and the fees and disbursements claimed by it from October 2, 2020 to February 28, 2023.

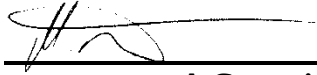
SWORN before me at the City
of Toronto, in the Province of Ontario
this 16th day of March, 2023

A Commissioner, etc.

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)
)

DARREN MARR

**THIS IS EXHIBIT "A" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 278551

October 31, 2020

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 October 31, 2020:

PROFESSIONAL FEES

SUBJECT TO HST	\$26,953.50	
SUB-TOTAL		\$26,953.50

DISBURSEMENTS

NON TAXABLE	\$267.00	
SUBJECT TO HST	\$25.42	
SUB-TOTAL		\$292.42
HST at 13.00%		\$3,507.26

GRAND TOTAL

\$30,753.18

Amount payable on the current invoice	\$30,753.18
Plus outstanding invoices on this matter	\$79,248.46
Amount Due	<u>\$110,001.64</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 278551

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:

Oct 2, 20	MP	Call with J. Krieger regarding draft Fifth Report;	0.10	\$54.00
Oct 5, 20	MP	Email correspondence with E. Karp, J. Zibarras and C. Mills regarding Steeles property; attend at a case conference;	0.50	\$270.00
Oct 8, 20	MP	Prepare responding materials to the Dovercourt appeal;	5.20	\$2,808.00
Oct 9, 20	MP	Review 249's factum and prepare responding factum and respondent's compendium on the Dovercourt appeal;	2.10	\$1,134.00
Oct 13, 20	MP	Draft responding factum on the Dovercourt appeal;	6.20	\$3,348.00
Oct 13, 20	DM	Received research instructions from M. Poliak; conducted research in respect of limitations provisions where a claim was made without leave against a receiver and subsequently leave was sought;	2.20	\$583.00
Oct 14, 20	MP	Attend a case conference for the action of 238 pertaining to the Steeles property; draft responding factum for the Dovercourt appeal;	6.00	\$3,240.00
Oct 14, 20	DM	To complete research for M. Poliak regarding interaction between requirements to obtain leave before launching claim and limitations period where leave was not obtained; summarized research findings to M. Poliak; discussed research implications with M. Poliak;	1.70	\$450.50
Oct 15, 20	MP	Draft responding factum on the Dovercourt appeal;	6.40	\$3,456.00
Oct 16, 20	MP	Draft responding factum on the Dovercourt Appeal; email correspondence with J. Kanji regarding fee affidavit;	6.70	\$3,618.00

HST No R124110933

INVOICE NUMBER: 278551

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.

Oct 19, 20	MP	Draft responding factum on Court of Appeal (Dovercourt); office conference with S. Rappos regarding same; review fee affidavit; review draft Fifth Report; review and revise claim against T. Wilson;	6.40	\$3,456.00
Oct 19, 20	SPR	Reviewed appellant factum and reviewed and commented on draft responding factum regarding Dovercourt proceeds appeal; discussed matters with M. Poliak;	1.50	\$810.00
Oct 20, 20	MP	Review and revise responding factum on the Dovercourt appeal; office conference with S. Rappos regarding same;	1.50	\$810.00
Oct 22, 20	MP	Review and revise draft Fifth Report; finalize claim against Troy Wilson; call with J. Kanji regarding Fifth Report and claim against Troy Wilson; email correspondence with A. Wygodny regarding status of L. Alizadeh's claims;	3.60	\$1,944.00
Oct 27, 20	MP	Email regarding service of claim to T. Wilson;	0.40	\$216.00
Oct 28, 20	MP	Review and finalize fee affidavits for MGMIC and Euclid; email correspondence with J. Kanji regarding same; email correspondence regarding discharge of Palace Pier mortgage;	0.90	\$486.00
Oct 29, 20	MP	Email correspondence regarding discharging of Palace Pier mortgage;	0.20	\$108.00
Oct 30; 20	MP	Email correspondence regarding discharge of Palace Pier mortgage;	0.30	\$162.00
			51.90	\$26,953.50
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES
HST at 13.00%

\$26,953.50
3,503.96

HST No R124110933

INVOICE NUMBER: 278551

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.

DISBURSEMENTS:**Subject to HST:**

Teraview Charges Taxable	\$25.00	
Long Distance Telephone Taxable	\$0.42	
		\$25.42

Non-Taxable:

Issue Statement(s) of Claim Non-taxable	\$229.00	
Motor Vehicle Search(es) Non-taxable	\$26.00	
Teraview Charges Non-taxable	\$12.00	
		\$267.00

TOTAL DISBURSEMENTS**\$292.42**

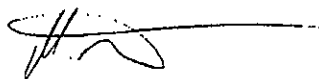
HST at 13.00%

3.30

GRAND TOTAL

\$30,753.18**CHAITONS LLP**

per:



Maya Poliak

HST No R124110933

INVOICE NUMBER: 278551

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.

LAWYERS' SUMMARY:

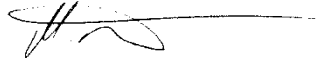
Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$540.00	46.50	\$25,110.00
SAM RAPPOS	\$540.00	1.50	\$810.00
DARREN MARR	\$265.00	3.90	\$1,033.50
Total:		51.90	\$26,953.50

HST No R124110933

INVOICE NUMBER: 278551

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.

**THIS IS EXHIBIT "B" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 278847

November 30, 2020

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 November 30, 2020:

PROFESSIONAL FEES

SUBJECT TO HST	\$21,114.50	
SUB-TOTAL		\$21,114.50

DISBURSEMENTS

NON TAXABLE	\$215.80	
SUBJECT TO HST	\$549.43	
SUB-TOTAL		\$765.23
HST at 13.00%		\$2,816.31

GRAND TOTAL

\$24,696.04

Amount payable on the current invoice	\$24,696.04
Plus outstanding invoices on this matter	\$110,001.64
Amount Due	<u>\$134,697.68</u>
Trust Balance	

PROFESSIONAL FEES:

Nov 2, 20	MP	Review draft report; draft notice of motion and order in support of the motion returnable November 25, 2020; finalize motion materials;	3.00	\$1,620.00
Nov 3, 20	MP	Review final motion record and service email; email correspondence with J. Krieger regarding draft order; send calendar invite to Justice Hainey;	0.70	\$378.00
Nov 3, 20	AMK	Discussion with M. Poliak and C. Wilson in respect of the registration of a discharge of charge against the Palace Pier property;	0.20	\$65.00
Nov 4, 20	MP	Email correspondence regarding discharge of Palace Pier Mortgage;	0.30	\$162.00
Nov 4, 20	AMK	Review of and revisions to the draft discharge; e-mail communication to M. Poliak in connection therewith;	0.20	\$65.00
Nov 9, 20	MP	Review and finalize court of appeal factum on the Dovercourt Appeal;	3.90	\$2,106.00
Nov 10, 20	MP	Revise draft responding Court of Appeal Factum;	2.50	\$1,350.00
Nov 11, 20	MP	Finalized responding factum on Court of Appeal on Dovercourt, reviewed compendium;	4.20	\$2,268.00
Nov 11, 20	SPR	Reviewed draft court of appeal factum regarding Dovercourt;	0.40	\$216.00
Nov 11, 20	AD	Editing the respondent's factum and providing the required links to the relevant authorities in order to comply with the Court of Appeal for Ontario's Practice Direction;	2.00	\$400.00
Nov 11, 20	AD	Reviewing the respondent's factum, executing required edits, and drafting correspondence to MP on prospective next steps in the drafting process thereto;	2.80	\$560.00

HST No R124110933

INVOICE NUMBER: 278847

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.

Nov 12, 20	MP	Finalized responding factum and compendium on the Dovercourt Appeal; email correspondence with E. Karp regarding same;	2.30	\$1,242.00
Nov 17, 20	MP	Email correspondence with E. Carp;	0.20	\$108.00
Nov 18, 20	MP	Email correspondence with L. Christodoulou regarding noting T. Wilson in default;	0.20	\$108.00
Nov 19, 20	MP	Review correspondence from Miller Thomson regarding T. Wilson's defence;	0.20	\$108.00
Nov 20, 20	MP	Email correspondence with J. Kanji regarding outstanding items;	0.10	\$54.00
Nov 23, 20	MP	Call with J. Kanji regarding update; prepare for the Dovercourt appeal;	1.10	\$594.00
Nov 24, 20	MP	Email correspondence and calls with the Court of Appeal regarding the Dovercourt Appeal; prepare for the appeal;	1.30	\$702.00
Nov 25, 20	MP	Prepare for the Court of Appeal hearing regarding Dovercourt; prepared for and attended at the motion to approve the distribution order; draft orders and consent regarding the Palace Pier settlement; draft counsel slip; email correspondence with E. Smolarcik regarding materials before the Court of Appeal;	9.20	\$4,968.00
Nov 25, 20	AMK	Review of draft application prepared by C. Wilson; registration thereof;	0.10	\$32.50
Nov 26, 20	MP	Prepare for and attend at the appeal of the order regarding the Dovercourt Property; call with J. Kanji regarding same; office conference with H. Chaiton and S. Rappos regarding same; email additional documents to the Court of Appeal judges;	7.20	\$3,888.00
Nov 26, 20	AD	Drafting follow-up correspondence to the Court of Appeal for Ontario re requested copies of additional case law and the claims procedure order;	0.60	\$120.00
TOTAL HOURS			42.70	\$21,114.50

HST No R124110933

INVOICE NUMBER: 278847

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.

TOTAL PROFESSIONAL FEES
HST at 13.00%

\$21,114.50
2,744.89

DISBURSEMENTS:

Subject to HST:

Service of Documents Taxable	\$168.20
Teraview Charges Taxable	\$166.50
Teranet Fee Taxable	\$21.80
Courier and Taxi Charges Taxable	\$62.63
Photocopying Charges Taxable	\$0.30
Teranet Electronic Registration Fee Taxable	\$130.00
	\$549.43

Non-Taxable:

Register Discharge(s) of Mortgage Non-taxable	\$65.30
Registration/Filing Fee(s) Non-taxable	\$65.30
Teraview Charges Non-taxable	\$85.20
	\$215.80

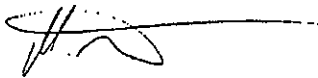
TOTAL DISBURSEMENTS
HST at 13.00%

\$765.23
71.43

GRAND TOTAL

\$24,696.04

CHAITONS LLP

per: 

Maya Poliak

HST No R124110933

INVOICE NUMBER: 278847

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.

LAWYERS' SUMMARY:

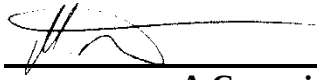
Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$540.00	36.40	\$19,656.00
SAM RAPPOS	\$540.00	0.40	\$216.00
ALEXANDRA KRANCEVIC	\$325.00	0.50	\$162.50
ANDREW DIMARCO	\$200.00	5.40	\$1,080.00
Total:		42.70	\$21,114.50

HST No R124110933

INVOICE NUMBER: 278847

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.

**THIS IS EXHIBIT "C" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 279032

January 5, 2021

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 January 5, 2021:

PROFESSIONAL FEES

SUBJECT TO HST	\$6,358.00	
SUB-TOTAL		\$6,358.00

DISBURSEMENTS

NON TAXABLE	\$58.90	
SUBJECT TO HST	\$122.86	
SUB-TOTAL		\$181.76
HST at 13.00%		\$842.51

GRAND TOTAL

\$7,382.27

Amount payable on the current invoice	\$7,382.27
Plus outstanding invoices on this matter	\$53,175.60
Amount Due	<u>\$60,557.87</u>
Trust Balance	

PROFESSIONAL FEES:

Dec 3, 20	HGC	Review statement of claim issued by Mansteel; telephone conference call with J. Krieger, J. Kanji and M. Poliak; review draft letter to lawyer for AMA Steel; telephone call with M. Poliak to discuss;	0.80	\$580.00
Dec 3, 20	MP	Review statement of claim from Mansteel; call with H. Chaiton, J. Krieger and J. Kanji regarding same; draft letter to counsel for Mansteel; call and email correspondence with H. Chaiton and J. Krieger regarding same; email correspondence with Miller Thomson regarding claim against T. Wilson;	2.60	\$1,404.00
Dec 4, 20	MP	Revise letter to counsel for Mansteel;	0.20	\$108.00
Dec 14, 20	MP	Email to counsel for T. Wilson regarding delivery of defence;	0.20	\$108.00
Dec 16, 20	MP	Review decision of the Court of Appeal on Dovercourt; call with J. Kanji regarding same; review statement of defence of T. Wilson; email correspondence with D. Bourassa regarding same;	0.70	\$378.00
Dec 21, 20	MP	Email correspondence with J. Kanji regarding Mansteel's claim;	0.20	\$108.00
Dec 28, 20	MP	Prepare summary judgment materials for claim against T. Wilson;	2.00	\$1,080.00
Dec 29, 20	MP	Email correspondence with A. Wygodny regarding Timmins Loan; review documents provided by Katebians to ascertain viability of a summary judgment motion;	2.60	\$1,404.00

HST No R124110933

INVOICE NUMBER: 279032

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.

Dec 30, 20	MP	Prepare summary judgment materials in the	2.20	\$1,188.00
		litigation against T. Wilson; call with J. Kanji		
		regarding same;		
			11.50	\$6,358.00
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES**\$6,358.00**

HST at 13.00%

826.54

DISBURSEMENTS:**Subject to HST:**

Internet Search Fee Taxable	\$45.81	
Teraview Charges Taxable	\$77.05	
		\$122.86

Non-Taxable:

Teraview Charges Non-taxable	\$34.90	
Government Disbursement Internet	\$24.00	
Search Non-tax.		\$58.90

TOTAL DISBURSEMENTS**\$181.76**

HST at 13.00%

15.97

GRAND TOTAL**\$7,382.27****CHAITONS LLP**

per: _____

HST No R124110933

INVOICE NUMBER: 279032

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.

Maya Poliak

HST No R124110933

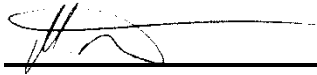
INVOICE NUMBER: 279032

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.

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
HARVEY G. CHAITON	\$725.00	0.80	\$580.00
MAYA POLIAK	\$540.00	10.70	\$5,778.00
Total:		11.50	\$6,358.00

**THIS IS EXHIBIT "D" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 280275

March 31, 2021

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, 2021:

PROFESSIONAL FEES

SUBJECT TO HST	\$16,762.00	
SUB-TOTAL		\$16,762.00

DISBURSEMENTS

NON TAXABLE	\$727.56	
SUBJECT TO HST	\$143.01	
SUB-TOTAL		\$870.57
HST at 13.00%		\$2,197.65

GRAND TOTAL

\$19,830.22

Amount payable on the current invoice	\$19,830.22
Plus outstanding invoices on this matter	\$60,557.87
Amount Due	<u>\$80,388.09</u>
Trust Balance	

PROFESSIONAL FEES:

Jan 5, 21	MP	Call with J. Kanji regarding claim against T. Wilson and Mansteel's claim; email to R. Mehta regarding MGMIC's loan to Canada Land Corporation and the Timmins Mortgage;	0.30	\$162.00
Jan 6, 21	MP	Review additional correspondence provided by P. Katebian regarding the Timmins loan; email correspondence with P. Katebian requesting full production of all correspondence; email correspondence with MGMIC's auditors regarding Timmins;	0.40	\$230.00
Jan 7, 21	MP	Email correspondence with R. Mehta regarding the Timmins loan; email correspondence with receiver regarding MGMIC's auditors;	0.40	\$230.00
Jan 8, 21	MP	Email correspondence with other counsel regarding the Mansteel claim and the stay of proceedings; email correspondence with R. Mehta regarding Timmins;	0.40	\$230.00
Jan 11, 21	DB	Video conference with M. Poliak re: evidence on Troy Wilson guarantee claim and strategy on summary judgment; Review documents and e-mails re: evidence of guarantee;	0.70	\$385.00
Jan 11, 21	MP	Review documents relating to Timmins Loan, including email correspondence; office conference with D. Bourassa regarding summary judgment motion; prepare materials; email correspondence with J. Zibarras regarding scheduling of summary judgment motion;	3.70	\$2,127.50
Jan 12, 21	MP	Email correspondence with E. Golden regarding status of various properties;	0.20	\$115.00

HST No R124110933

INVOICE NUMBER: 280275

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.

Jan 26, 21	MP	Draft affidavit in support of the motion for summary judgment against T. Wilson; email correspondence with P. Katebian and R. Mehta regarding Timmins Loan;	4.00	\$2,300.00
Jan 27, 21	MP	Attend at the scheduling of the summary judgment motion in an action against T. Wilson; draft summary judgment motion materials;	1.20	\$690.00
Jan 28, 21	MP	Email correspondence with P. Katebian;	0.20	\$115.00
Feb 3, 21	MP	Email correspondence with P. Katebian and E. Golden regarding various matters; draft summary judgment materials in the claim against Troy Wilson;	4.20	\$2,415.00
Feb 4, 21	MP	Finalize affidavit in support of summary judgment motion against T. Wilson; call with D. Bourassa regarding same;	3.10	\$1,782.50
Feb 5, 21	MP	Prepare summary judgment motion materials;	2.60	\$1,495.00
Feb 8, 21	MP	Finalized and served summary judgment motion materials;	4.30	\$2,472.50
Feb 9, 21	MP	Review execution and other searches against T. Wilson;	0.30	\$172.50
Feb 16, 21	MP	Correspondence with the Court regarding filing summary judgment materials;	0.20	\$115.00
Feb 25, 21	MP	Attended a case conference on the motion in the Mansteel proceeding; email correspondence regarding draft endorsement with counsel for some defendants; email to the judge regarding same;	1.00	\$575.00
Feb 26, 21	MP	Email to J. Krieger and J. Kanji regarding the Mansteel action;	0.30	\$172.50
Mar 9, 21	MP	Catch up call with Grant Thornton regarding outstanding matters;	0.20	\$115.00
Mar 12, 21	MP	Review affidavit of T. Wilson in ancillary proceedings;	0.40	\$230.00
Mar 16, 21	MP	Email correspondence regarding the Mansteel proceeding;	0.30	\$172.50
Mar 24, 21	MP	Review email from P. Smiley and Endorsement in the Alizadeh proceeding;	0.20	\$115.00

HST No R124110933

INVOICE NUMBER: 280275

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.

Mar 26, 21	MP	Email correspondence with P. Smiley regarding Alizadeh action;	0.10	\$57.50
Mar 30, 21	MP	Review responding motion record of T. Wilson; email correspondence with J. Kanji regarding same;	0.50	\$287.50
			29.20	\$16,762.00
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES	\$16,762.00
HST at 13.00%	2,179.06

DISBURSEMENTS:**Subject to HST:**

Internet Search Fee Taxable	\$121.26	
Teraview Charges Taxable	\$21.75	
		\$143.01

Non-Taxable:

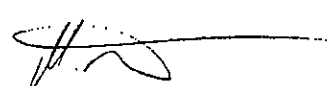
File Motion Record(s) Non-taxable	\$640.00	
Teraview Charges Non-taxable	\$8.70	
Government Disbursement Internet Search Non-tax.	\$78.86	
		\$727.56

TOTAL DISBURSEMENTS	\$870.57
HST at 13.00%	18.59

GRAND TOTAL	\$19,830.22
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CHAITONS LLP

per:



 Maya Poliak

LAWYERS' SUMMARY:

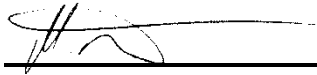
Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
DOUG BOURASSA	\$550.00	0.70	\$385.00
MAYA POLIAK	\$575.00	28.20	\$16,215.00
MAYA POLIAK	\$540.00	0.30	\$162.00
Total:		29.20	\$16,762.00

HST No R124110933

INVOICE NUMBER: 280275

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.

**THIS IS EXHIBIT "E" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 281045

May 31, 2021

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 May 31, 2021:

PROFESSIONAL FEES

SUBJECT TO HST	\$9,230.00	
SUB-TOTAL		\$9,230.00

DISBURSEMENTS

NON TAXABLE	\$26.00	
SUBJECT TO HST	\$352.00	
SUB-TOTAL		\$378.00
HST at 13.00%		\$1,245.66

GRAND TOTAL		\$10,853.66
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Amount payable on the current invoice	\$10,853.66
Plus outstanding invoices on this matter	\$28,479.56
Amount Due	<u>\$39,333.22</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 281045

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:

Apr 1, 21	MP	Review endorsement of J. Myers in proceeding against T. Wilson; review original loan and security documents; email correspondence with Miller Thomson regarding original documents;	0.40	\$230.00
Apr 5, 21	MP	Reviewed responding record of T. Wilson on summary judgment motion;	0.30	\$172.50
Apr 9, 21	MP	Email correspondence and calls with P. Katebian and P. Smiley regarding the Timmins property and P. Katebian's evidence;	1.80	\$1,035.00
Apr 22, 21	MP	Email correspondence with J. Zibarras regarding cross-examination;	0.20	\$115.00
Apr 26, 21	MP	Email correspondence with J. Zibarras and R. Mehta regarding cross-examination;	0.30	\$172.50
Apr 27, 21	MP	Email correspondence with J. Zibarras regarding scheduling of cross-examinations in the proceeding against Troy Wilson;	0.20	\$115.00
Apr 28, 21	MP	Call with J. Zibarras regarding cross-examinations; schedule same;	0.30	\$172.50
May 7, 21	MP	Email correspondence with P. Smiley;	0.20	\$115.00
May 11, 21	MP	Email correspondence with J. Zibarras;	0.10	\$57.50
May 11, 21	MP	Email correspondence with J. Zibarras regarding cross-examinations;	0.20	\$115.00
May 12, 21	MP	Email correspondence with J. Zibarras regarding examinations and settlement;	0.20	\$115.00
May 13, 21	MP	Call with J. Krieger and J. Kanji regarding examinations;	0.30	\$172.50
May 14, 21	MP	Review and revise draft Notice of Examination for T. Wilson;	0.20	\$115.00
May 17, 21	BFF	Conferred with M. Poliak regarding summary judgment motion; scope of cross examination; and retaining expert to provide handwriting analysis;	0.60	\$375.00

HST No R124110933

INVOICE NUMBER: 281045

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.

May 17, 21	MP	Prepare notices of examination for T. Wilson and R. Mehta; prepare for examinations; email correspondence with R. Mehta regarding same; email correspondence with J. Kanji regarding T. Wilson and potential settlement;	2.70	\$1,552.50
May 18, 21	MP	Prepared for examinations of R. Mehta; email correspondence and calls with J. Zibarras and J. Krieger regarding examinations of J. Krieger; attended at examinations of R. Mehta; call with Receiver regarding potential settlement; email correspondence with R. Mehta;	4.40	\$2,530.00
May 19, 21	MP	Prepare for examinations of J. Krieger and T. Wilson; calls and email correspondence with client and J. Zibarras regarding settlement;	2.30	\$1,322.50
May 25, 21	MP	Email correspondence and calls with J. Zibarras and client regarding settlement of an action against T. Wilson;	0.30	\$172.50
May 26, 21	MP	Email correspondence with J. Zibarras; preparation of Minutes of Settlement;	0.30	\$172.50
May 31, 21	MP	Prepare minutes of settlement and draft release;	0.70	\$402.50
			16.00	\$9,230.00
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES

HST at 13.00%

\$9,230.00

1,199.90

DISBURSEMENTS:**Subject to HST:**

Examination and Transcript Fee	\$352.00
Taxable	

HST No R124110933

INVOICE NUMBER: 281045

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.

\$352.00

Non-Taxable:

Motor Vehicle Search(es) Non-taxable \$26.00

\$26.00

TOTAL DISBURSEMENTS**\$378.00**

HST at 13.00%

45.76

GRAND TOTAL**\$10,853.66****CHAITONS LLP**

per:



Maya Poliak

LAWYERS' SUMMARY:

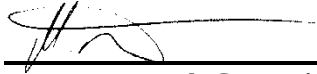
Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
BEN FRYDENBERG	\$625.00	0.60	\$375.00
MAYA POLIAK	\$575.00	15.40	\$8,855.00
Total:		16.00	\$9,230.00

HST No R124110933

INVOICE NUMBER: 281045

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.

**THIS IS EXHIBIT "F" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 281660

July 31, 2021

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 July 31, 2021:

PROFESSIONAL FEES

SUBJECT TO HST	\$1,805.00	
SUB-TOTAL		\$1,805.00
HST at 13.00%		\$234.65

GRAND TOTAL		\$2,039.65
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Amount payable on the current invoice	\$2,039.65
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$2,039.65</u>
Trust Balance	\$270.00

HST No R124110933

INVOICE NUMBER: 281660

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:

Jan 29, 20	SPR	Dovercourt - discussed matters with M. Poliak; drafted affidavit; reviewed and drafted correspondence;	1.00	\$540.00
Jun 1, 21	MP	Prepare minutes of settlement and draft release; call with J. Kanji regarding same;	1.00	\$575.00
Jun 2, 21	MP	Update Minutes of Settlement with comments from clients and email same to J. Zibarras;	0.20	\$115.00
Jun 15, 21	MP	Email correspondence and call with J. Zibarras regarding settlement and the Mansteel property;	0.50	\$287.50
Jul 2, 21	MP	Email to J. Zibarras regarding settlement;	0.20	\$115.00
Jul 14, 21	MP	Email to J. Zibarras regarding settlement of claim against T. Wilson; call with counsel for Katebians;	0.30	\$172.50
			3.20	\$1,805.00
		TOTAL HOURS		

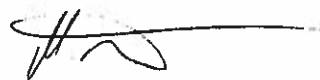
TOTAL PROFESSIONAL FEES**\$1,805.00**

HST at 13.00%

234.65

GRAND TOTAL**\$2,039.65****CHAITONS LLP**

per:

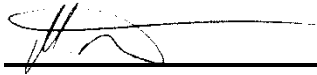


Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$575.00	2.20	\$1,265.00
SAM RAPPOS	\$540.00	1.00	\$540.00
Total:		3.20	\$1,805.00

**THIS IS EXHIBIT "G" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 282436

September 30, 2021

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 September 30, 2021:

PROFESSIONAL FEES

SUBJECT TO HST	\$460.00	
SUB-TOTAL		\$460.00
HST at 13.00%		\$59.80

GRAND TOTAL

\$519.80

Deduct amount in trust

(\$270.00)

AMOUNT PAYABLE

\$249.80

Amount payable on the current invoice	\$249.80
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$249.80</u>
Trust Balance	\$0.00

PROFESSIONAL FEES:

Sep 24, 21	MP	Correspondence with J. Zibarras regarding claim against Troy; revise Notice of Examination;	0.30	\$172.50
Sep 27, 21	MP	Revise Notice of Examination of T. Wilson;	0.20	\$115.00
Sep 28, 21	MP	Email to J. Zibarras regarding cross-examination of T. Wilson on the guaranty claim;	0.30	\$172.50
			0.80	\$460.00
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES**\$460.00**

HST at 13.00%

59.80

GRAND TOTAL**\$519.80**

Deduct amount in trust

(\$270.00)**AMOUNT PAYABLE****\$249.80****CHAITONS LLP**

per:

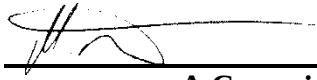


Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$575.00	0.80	\$460.00
Total:		0.80	\$460.00

**THIS IS EXHIBIT "H" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 282727

October 31, 2021

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 October 31, 2021:

PROFESSIONAL FEES

SUBJECT TO HST	\$3,622.50	
SUB-TOTAL		\$3,622.50
HST at 13.00%		\$470.93

GRAND TOTAL		\$4,093.43
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Amount payable on the current invoice	\$4,093.43
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$4,093.43</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 282727

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:

Oct 6, 21	MP	Email correspondence with D. Emami;	0.30	\$172.50
Oct 8, 21	MP	Email correspondence with J. Zibarras and client regarding cross-examination of T. Wilson and settlement; review email correspondence from Receiver of Malmo and High Point; email correspondence with parties to that receivership; call with D. Emami regarding Malmo and High Point receiverships;	1.60	\$920.00
Oct 12, 21	MP	Email correspondence with J. Zibarras and his office regarding scheduling cross-examination of T. Wilson;	0.30	\$172.50
Oct 19, 21	MP	Email correspondence with E. Golden;	0.20	\$115.00
Oct 20, 21	MP	Email correspondence with D. Emami and C. Kopach; call with P. Smiley regarding Malmo and High Point; email to D. Emami regarding same;	1.20	\$690.00
Oct 21, 21	MP	Call with J. Zibarras; call with D. Emami regarding OSC's position on proposed distributions in the High Point and Malmo receiverships; email to Receiver regarding update; email correspondence with G. Hodder, P. Smiley and J. Zibarras; call with P. Smiley;	1.50	\$862.50
Oct 22, 21	MP	Attended hearing of distribution motions in two proceedings related to Katebians; calls with counsel for other participants and OSC;	1.20	\$690.00
TOTAL HOURS			6.30	\$3,622.50

HST No R124110933

INVOICE NUMBER: 282727

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.

TOTAL PROFESSIONAL FEES
HST at 13.00%

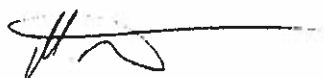
\$3,622.50
470.93

GRAND TOTAL

\$4,093.43

CHAITONS LLP

per:



Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$575.00	6.30	\$3,622.50
Total:		6.30	\$3,622.50

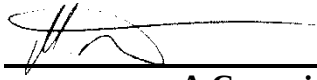
HST No R124110933

INVOICE NUMBER: 282727

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#5263214v1

**THIS IS EXHIBIT "I" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 283109

November 30, 2021

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 November 30, 2021:

PROFESSIONAL FEES

SUBJECT TO HST	\$4,140.00	
SUB-TOTAL		\$4,140.00

DISBURSEMENTS

SUBJECT TO HST	\$255.50	
SUB-TOTAL		\$255.50
HST at 13.00%		\$571.42

GRAND TOTAL		\$4,966.92
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Amount payable on the current invoice	\$4,966.92
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$4,966.92</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 283109

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:

Nov 4, 21	MP	Email correspondence with E. Golden, D. Emami and J. Zibarras;	0.30	\$172.50
Nov 9, 21	MP	Calls with J. Zibarras, J. Krieger and E. Golden regarding Troy Wilson settlement;	0.50	\$287.50
Nov 10, 21	MP	Prepared for and attended cross-examination of T. Wilson;	2.20	\$1,265.00
Nov 11, 21	MP	Draft email to OSC regarding status update;	1.70	\$977.50
Nov 12, 21	MP	Finalize update email to OSC;	0.30	\$172.50
Nov 25, 21	MP	Email correspondence and calls with J. Zibarras;	0.40	\$230.00
Nov 26, 21	MP	Email correspondence and call with J. Zibarras regarding the litigation against Troy and their request for information; email	0.60	\$345.00
Nov 29, 21	MP	correspondence with clients regarding same; Call with J. Krieger regarding Wilson litigation and other outstanding items; summary email regarding 239 and the related orders;	1.20	\$690.00
			7.20	\$4,140.00
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES**\$4,140.00**

HST at 13.00%

538.20

DISBURSEMENTS:**Subject to HST:**

Examination and Transcript Fee \$255.50
Taxable

\$255.50

TOTAL DISBURSEMENTS**\$255.50**

HST at 13.00%

33.22

GRAND TOTAL

\$4,966.92**CHAITONS LLP**

per:



Maya Poliak

LAWYERS' SUMMARY:

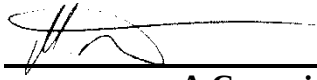
Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$575.00	7.20	\$4,140.00
Total:		7.20	\$4,140.00

HST No R124110933

INVOICE NUMBER: 283109

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.

**THIS IS EXHIBIT "J" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 283350

January 5, 2022

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, 2021:

PROFESSIONAL FEES

SUBJECT TO HST	\$977.50	
SUB-TOTAL		\$977.50

DISBURSEMENTS

SUBJECT TO HST	\$134.00	
SUB-TOTAL		\$134.00
HST at 13.00%		\$144.50

GRAND TOTAL		\$1,256.00
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Amount payable on the current invoice	\$1,256.00
Plus outstanding invoices on this matter	\$0.50
Amount Due	<u>\$1,256.50</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 283350

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 10, 21	MP	Attend case conference hearing on Yuretsian; email correspondence with J. Zibarras;	0.50	\$287.50
Dec 14, 21	MP	Email correspondence with J. Zibarras and scheduling court;	0.30	\$172.50
Dec 16, 21	MP	Email correspondence with client and J. Zibarras regarding 239 accounts;	0.40	\$230.00
Dec 20, 21	MP	Email correspondence with J. Zibarras regarding frozen accounts;	0.50	\$287.50
			1.70	\$977.50
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES**\$977.50**

HST at 13.00%

127.08

DISBURSEMENTS:**Subject to HST:**

Examination and Transcript Fee \$134.00
Taxable

\$134.00**TOTAL DISBURSEMENTS****\$134.00**

HST at 13.00%

17.42

GRAND TOTAL**\$1,256.00****CHAITONS LLP**

per:



Maya Poliak

HST No R124110933

INVOICE NUMBER: 283350

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.

LAWYERS' SUMMARY:

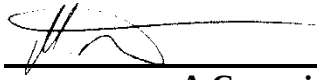
Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$575.00	1.70	\$977.50
Total:		1.70	\$977.50

HST No R124110933

INVOICE NUMBER: 283350

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.

**THIS IS EXHIBIT "K" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 284276

February 28, 2022

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 February 28, 2022:

PROFESSIONAL FEES

SUBJECT TO HST	\$1,020.00	
SUB-TOTAL		\$1,020.00
HST at 13.00%		\$132.60

GRAND TOTAL		\$1,152.60
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Amount payable on the current invoice	\$1,152.60
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$1,152.60</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 284276

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:

Jan 4, 22	MP	Email correspondence with J. Zibarras regarding scheduling of case conference in T. Wilson litigation;	0.20	\$120.00
Jan 17, 22	MP	Email to J. Zibarras regarding production request;	0.20	\$120.00
Jan 27, 22	MP	Email to J. Zibarras regarding settlement of claim of T. Wilson;	0.20	\$120.00
Feb 3, 22	MP	Call with J. Zibarras regarding Mansteel and Timmins; email to client regarding same;	0.40	\$240.00
Feb 4, 22	MP	Email correspondence with J. Zibarras and D. Emami regarding production request for "029";	0.20	\$120.00
Feb 9, 22	MP	Review production order; email correspondence regarding same;	0.30	\$180.00
Feb 15, 22	MP	Email correspondence with J. Krieger and J. Kanji regarding production order for 239;	0.20	\$120.00
TOTAL HOURS			1.70	\$1,020.00

TOTAL PROFESSIONAL FEES**\$1,020.00**

HST at 13.00%

132.60

GRAND TOTAL**\$1,152.60****CHAITONS LLP**

per:


 Maya Poliak

HST No R124110933

INVOICE NUMBER: 284276

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.

LAWYERS' SUMMARY:

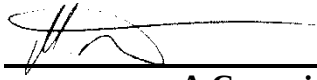
Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$600.00	1.70	\$1,020.00
Total:		1.70	\$1,020.00

HST No R124110933

INVOICE NUMBER: 284276

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.

**THIS IS EXHIBIT "L" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 285507

June 14, 2022

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 May 31, 2022:

PROFESSIONAL FEES

SUBJECT TO HST	\$3,900.00	
SUB-TOTAL		\$3,900.00
HST at 13.00%		\$507.00

GRAND TOTAL		\$4,407.00
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Amount payable on the current invoice	\$4,407.00
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$4,407.00</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 285507

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:

Mar 1, 22	MP	Email correspondence with J. Zibarras;	0.10	\$60.00
Mar 7, 22	MP	Instructions re: case conference; email correspondence with J. Zibarras;	0.30	\$180.00
Mar 8, 22	MP	Review conference brief of Wilson and prepare responding brief;	2.00	\$1,200.00
Mar 9, 22	MP	Prepared for and attended at the case conference for scheduling of the summary judgment motion for T. Wilson; follow up call with J. Kanji;	1.30	\$780.00
Apr 7, 22	MP	Email correspondence with P. Smiley regarding Wilson litigation;	0.20	\$120.00
Apr 19, 22	MP	Email correspondence and call with J. Kanji and J. Krieger regarding Mansteel;	0.30	\$180.00
Apr 30, 22	MP	Email correspondence with J. Kanji and J. Zibarras regarding Mansteel;	0.20	\$120.00
May 2, 22	MP	Call with J. Kanji;	0.30	\$180.00
May 10, 22	MP	Email correspondence with D. Emami and client;	0.20	\$120.00
May 13, 22	MP	Email correspondence and call with client and J. Zibarras re: Wilson settlement;	0.30	\$180.00
May 16, 22	MP	Call with D. Emami and Receiver regarding status of receivership;	0.70	\$420.00
May 24, 22	MP	Email correspondence with J. Zibarras and J. Krieger regarding settlement;	0.30	\$180.00
May 25, 22	MP	Email correspondence regarding settlement of Wilson action;	0.30	\$180.00
			6.50	\$3,900.00
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES**\$3,900.00**

HST at 13.00%

507.00

GRAND TOTAL**\$4,407.00****CHAITONS LLP**

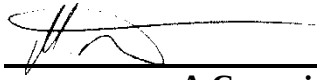
per:

_____
Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$600.00	6.50	\$3,900.00
Total:		6.50	\$3,900.00

**THIS IS EXHIBIT "M" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 286978

September 30, 2022

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 September 30, 2022:

PROFESSIONAL FEES

SUBJECT TO HST	\$8,220.00	
SUB-TOTAL		\$8,220.00

DISBURSEMENTS

SUBJECT TO HST	\$911.00	
SUB-TOTAL		\$911.00
HST at 13.00%		\$1,187.03

GRAND TOTAL		<u>\$10,318.03</u>
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Amount payable on the current invoice	\$10,318.03
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$10,318.03</u>
Trust Balance	

PROFESSIONAL FEES:

Jun 21, 22	MP	Email correspondence with E. Golden and D. Emami regarding certain distributions of Katebians' property;	0.20	\$120.00
Aug 26, 22	MP	Email correspondence with the Court regarding summary judgment motion;	0.20	\$120.00
Aug 26, 22	MP	Call with P. Smiley	0.30	\$180.00
Sep 6, 22	MP	Draft factum in support of summary judgment motion in Wilson matter;	4.20	\$2,520.00
Sep 12, 22	MP	Email correspondence and call with J. Zibarras regarding T. Wilson litigation; review statement of claim provided by J. Zibarras;	0.70	\$420.00
Sep 13, 22	MP	Draft factum in support of summary judgment motion;	2.60	\$1,560.00
Sep 14, 22	MP	Email correspondence and calls with J. Zibarras regarding settlement; email correspondence with clients regarding same;	0.50	\$300.00
Sep 15, 22	MP	Email correspondence with J. Zibarras and client regarding settlement;	0.30	\$180.00
Sep 19, 22	MP	Email correspondence with client and J. Zibarras regarding settlement of claim against Wilson; draft minutes;	1.50	\$900.00
Sep 20, 22	MP	Call with J. Zibarras regarding settlement; email correspondence regarding same;	0.50	\$300.00
Sep 21, 22	MP	Review and provide comments on draft settlement;	0.60	\$360.00
Sep 22, 22	MP	Email correspondence with J. Zibarras regarding settlement; call with J. Zibarras regarding same; email correspondence with client regarding same;	0.60	\$360.00

Sep 23, 22	MP	Email correspondence with J. Zibarras and client regarding settlement;	0.20	\$120.00
Sep 26, 22	MP	Attended at the hearing in the Wilson case to advise of settlement; email correspondence and call with P. Smiley advising of settlement and confidentiality provision;	1.30	\$780.00
			13.70	\$8,220.00
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES	\$8,220.00
HST at 13.00%	1,068.60

DISBURSEMENTS:

Subject to HST:

Examination and Transcript Fee	\$911.00	
Taxable		\$911.00

TOTAL DISBURSEMENTS	\$911.00
HST at 13.00%	118.43

GRAND TOTAL	\$10,318.03
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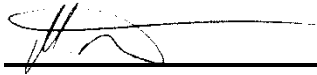
CHAITONS LLP

per: 
 Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$600.00	13.70	\$8,220.00
Total:		13.70	\$8,220.00

**THIS IS EXHIBIT "N" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 287548

October 31, 2022

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 October 31, 2022:

PROFESSIONAL FEES

SUBJECT TO HST	\$1,800.00	
SUB-TOTAL		\$1,800.00
HST at 13.00%		\$234.00

GRAND TOTAL		\$2,034.00
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Amount payable on the current invoice	\$2,034.00
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$2,034.00</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 287548

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:

Oct 3, 22	MP	Call with J. Zibarras regarding Wilson settlement and third party claim against Katebians; email correspondence with P. Smiley regarding same;	0.30	\$180.00
Oct 6, 22	MP	Email correspondence with E. Golden and D. Emami regarding Yeretsian proceeding;	0.40	\$240.00
Oct 13, 22	MP	Draft amended settlement with Wilson; email correspondence with J. Zibarras regarding same;	0.50	\$300.00
Oct 14, 22	MP	Email correspondence with P. Smiley and clients regarding settlement of a third party claim;	0.40	\$240.00
Oct 18, 22	MP	Draft amendment to Minutes; email correspondence with J. Zibarras and P. Smiley regarding same;	0.70	\$420.00
Oct 19, 22	MP	Email correspondence with P. Smiley;	0.30	\$180.00
Oct 25, 22	MP	Email correspondence with J. Zibarras;	0.20	\$120.00
Oct 31, 22	MP	Email correspondence with J. Zibarras;	0.20	\$120.00
TOTAL HOURS			3.00	\$1,800.00

TOTAL PROFESSIONAL FEES

\$1,800.00

HST at 13.00%

234.00

GRAND TOTAL

\$2,034.00

CHAITONS LLP

per:

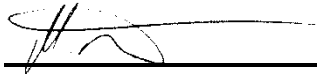


Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$600.00	3.00	\$1,800.00
Total:		3.00	\$1,800.00

**THIS IS EXHIBIT "O" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 287962

November 30, 2022

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 November 30, 2022:

PROFESSIONAL FEES

SUBJECT TO HST	\$7,800.00	
SUB-TOTAL		\$7,800.00

DISBURSEMENTS

SUBJECT TO HST	\$10.08	
SUB-TOTAL		\$10.08
HST at 13.00%		\$1,015.31

GRAND TOTAL

\$8,825.39

Amount payable on the current invoice	\$8,825.39
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$8,825.39</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 287962

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:

Nov 4, 22	MP	Email correspondence with T. Wilson regarding settlement;	0.20	\$120.00
Nov 15, 22	MP	Email correspondence with the Court and counsel regarding scheduling;	0.30	\$180.00
Nov 16, 22	MP	Email correspondence with counsel and court regarding scheduling; email correspondence with P. Smiley regarding his client's position on settlement;	0.30	\$180.00
Nov 17, 22	MP	Draft motion materials in support of settlement approval motion; draft amendment to minutes; email correspondence with J. Zibarras regarding same;	3.20	\$1,920.00
Nov 18, 22	MP	Email correspondence with Alsou regarding scheduling of Motion to Approve the Settlement; draft motion materials;	0.90	\$540.00
Nov 21, 22	MP	Draft motion materials in support of settlement approval motion; email correspondence with J. Zibarras regarding same; email correspondence with D. Emami;	2.50	\$1,500.00
Nov 22, 22	MP	Call with D. Emami regarding receivership update; email correspondence with M. Valliancourt regarding same; finalize and serve motion materials	2.80	\$1,680.00
Nov 24, 22	MP	Email correspondence with service list regarding upcoming motion;	0.20	\$120.00
Nov 29, 22	MP	Email correspondence with P. Smiley, J. Zibarras and OSC;	0.30	\$180.00

Nov 30, 22	MP	Calls and email correspondence with P. Smiley, M. Valliancourt; the Court; client and J. Zibarras regarding settlement approval motion;	2.30	\$1,380.00
			13.00	\$7,800.00
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES	\$7,800.00
HST at 13.00%	1,014.00

DISBURSEMENTS:

Subject to HST:

Postage Charges Taxable	\$8.88	
Photocopying Charges Taxable	\$1.20	
		\$10.08

TOTAL DISBURSEMENTS	\$10.08
HST at 13.00%	1.31

GRAND TOTAL	\$8,825.39
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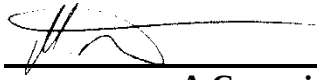
CHAITONS LLP

per: 
 Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$600.00	13.00	\$7,800.00
Total:		13.00	\$7,800.00

**THIS IS EXHIBIT "P" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 288982

January 31, 2023

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 January 31, 2023:

PROFESSIONAL FEES

SUBJECT TO HST	\$15,228.00	
SUB-TOTAL		\$15,228.00

DISBURSEMENTS

SUBJECT TO HST	\$3.88	
SUB-TOTAL		\$3.88
HST at 13.00%		\$1,980.14

GRAND TOTAL		\$17,212.02
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Amount payable on the current invoice	\$17,212.02
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$17,212.02</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 288982

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 1, 22	MP	Prepared for and attended at the motion to adjourn settlement approval; email correspondence with J. Zibarras and service list regarding same; call with C. Mills regarding same;	0.90	\$540.00
Dec 12, 22	MP	Email correspondence with Y. Chisholm and J. Zibarras regarding settlement and sealing order;	0.50	\$300.00
Dec 15, 22	MP	Email correspondence with J. Zibarras regarding sealing request;	0.20	\$120.00
Dec 16, 22	MP	Call with J. Zibarras; instructions to student regarding amended motion; email correspondence with OSC and P. Smiley;	1.80	\$1,080.00
Dec 16, 22	AW	To draft amended notice of motion and affidavit;	1.80	\$360.00
Dec 19, 22	AW	To draft amended notice of motion and affidavit;	0.60	\$120.00
Dec 20, 22	MP	Draft second amendment to Minutes of Settlement; email correspondence with Y. Chisholm, client and J. Zibarras regarding same;	1.60	\$960.00
Dec 21, 22	AW	To update affidavit and notice of motion;	0.40	\$80.00
Dec 22, 22	MP	Email correspondence and call with P. Smiley; email correspondence with J. Zibarras regarding amendment;	0.70	\$420.00
Dec 23, 22	AW	To draft factum for M. Poliak;	3.10	\$620.00
Dec 26, 22	MP	Email correspondence with J. Zibarras regarding amended minutes;	0.20	\$120.00
Dec 28, 22	AW	To edit factum;	1.50	\$300.00
Dec 29, 22	MP	Review draft supplementary materials and amended notice of motion; meeting with A. Werger regarding same;	1.20	\$720.00
Dec 30, 22	AW	To compile and finalize affidavit;	1.00	\$200.00
Jan 3, 23	MP	Email correspondence with P. Smiley regarding T. Wilson settlement;	0.20	\$120.00
Jan 3, 23	AW	To update affidavit and notice of motion;	0.90	\$180.00

HST No R124110933

INVOICE NUMBER: 288982

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.

Jan 4, 23	MP	Review and revise draft factum in support of settlement; email correspondence with client regarding Payam's involvement with assignment of Timmins mortgage and request for disclosure of appraisals;	1.40	\$840.00
Jan 10, 23	MP	Call with J. Kanji regarding settlement approval motion; email correspondence with P. Smiley regarding same;	1.10	\$660.00
Jan 11, 23	MP	Finalize and serve factum on settlement approval motion; email correspondence and calls with P. Smiley; review and revise draft supplemental report; email correspondence with J. Kanji regarding same;	4.20	\$2,520.00
Jan 13, 23	MP	Review responding materials; email correspondence with Y. Chisholm regarding same;	0.30	\$180.00
Jan 15, 23	MP	Email correspondence with the Court, L. Christodoulou and clients regarding requested documents;	0.30	\$189.00
Jan 16, 23	MP	Email correspondence with the Court; Draft order; upload to caselines and serve draft; prepare for the motion to approve settlement;	2.20	\$1,386.00
Jan 17, 23	MP	Email correspondence with the Court; Draft order; upload to caselines and serve draft; prepare for and attended at the motion; reporting email to client;	2.70	\$1,701.00
Jan 18, 23	MP	Email correspondence with J. Asadi and J. Kanji regarding assignment of mortgage; call with R. Patel regarding same;	1.20	\$756.00
Jan 19, 23	MP	Call with a party interested in acquiring MGMIC's mortgage against Timmins or judgment against T. Wilson;	0.40	\$252.00
Jan 20, 23	MP	Review Endorsement of J. Wilton-Siegel; email correspondence with J. Zibarras and J. Kanji regarding payment of settlement;	0.30	\$189.00

Jan 30, 23	MP	Email correspondence with J. Zibarras re: settlement;	0.20	\$126.00
Jan 31, 23	MP	Email correspondence re T. Wilson settlement payment;	0.30	\$189.00
			31.20	\$15,228.00
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES	\$15,228.00
HST at 13.00%	1,979.64

DISBURSEMENTS:

Subject to HST:

Postage Charges Taxable	\$3.88	
		\$3.88

TOTAL DISBURSEMENTS	\$3.88
HST at 13.00%	0.50

GRAND TOTAL	\$17,212.02
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CHAITONS LLP

per:

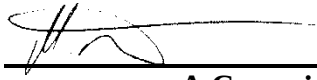


Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$630.00	7.60	\$4,788.00
MAYA POLIAK	\$600.00	14.30	\$8,580.00
AMANDA WERGER	\$200.00	9.30	\$1,860.00
Total:		31.20	\$15,228.00

**THIS IS EXHIBIT "Q" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

INVOICE NUMBER: 289530

March 9, 2023

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 February 28, 2023:

PROFESSIONAL FEES

SUBJECT TO HST	\$3,091.50	
SUB-TOTAL		\$3,091.50
HST at 13.00%		\$401.90

GRAND TOTAL		\$3,493.40
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Amount payable on the current invoice	\$3,493.40
Plus outstanding invoices on this matter	\$0.00
Amount Due	<u>\$3,493.40</u>
Trust Balance	

HST No R124110933

INVOICE NUMBER: 289530

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:

Feb 6, 23	MP	Email correspondence with P. Smiley and J. Zibarras regarding finalizing settlement;	0.50	\$315.00
Feb 9, 23	MP	Instructions to student to discontinue action; email correspondence with J. Zibarras and J. Kanji regarding outstanding items;	0.90	\$567.00
Feb 9, 23	VC	To review Minutes of Settlement and Motion Record; To meet with M. Poliak regarding Consent to Discontinue;	0.70	\$157.50
Feb 10, 23	VC	To review Rules of Civil Procedure regarding order to discontinue and precedents;	1.00	\$225.00
Feb 13, 23	MP	Email correspondence and call with J. Kanji regarding final distributions; email to OSC regarding same; email correspondence with J. Zibarras regarding assignment;	0.70	\$441.00
Feb 13, 23	VC	To review minutes of settlement and order to discontinue; To draft consent and notice of discontinue;	1.60	\$360.00
Feb 14, 23	VC	To review and revise Notice of Discontinuance and email M. Poliak;	1.40	\$315.00
Feb 22, 23	MP	Email correspondence with A. Krancevic and F. Yack regarding assignment of mortgages;	0.50	\$315.00
Feb 23, 23	MP	Email correspondence with J. Zibarras regarding settlement;	0.20	\$126.00
Feb 23, 23	VC	To follow up with M. Poliak regarding Order to discontinue and Consent;	0.10	\$22.50

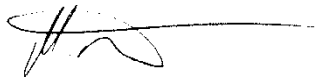
Feb 27, 23	VC	To draft Consent and Notice of Discontinuance of Third Party Claim;	0.40	\$90.00
Feb 28, 23	VC	To revise Consent and Notice of Discontinuance for Third Party Claim;	0.70	\$157.50
			8.70	\$3,091.50
		TOTAL HOURS		

TOTAL PROFESSIONAL FEES	\$3,091.50
HST at 13.00%	401.90

GRAND TOTAL	\$3,493.40
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CHAITONS LLP

per:

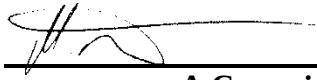


Maya Poliak

LAWYERS' SUMMARY:

Lawyers and legal assistants involved	Hourly Rate	Hours Billed	Total Billed
MAYA POLIAK	\$630.00	2.80	\$1,764.00
VERONICA CESARIO	\$225.00	5.90	\$1,327.50
Total:		8.70	\$3,091.50

**THIS IS EXHIBIT "R" TO
THE AFFIDAVIT OF DARREN MARR
SWORN BEFORE ME THIS 16th
DAY OF MARCH, 2023**

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

A Commissioner Etc.

SUMMARY

Lawyer	Year of Call	Hours Billed	Hourly Rate	Amount Billed
Harvey Chaiton	1982	0.80	\$725.00	\$580.00
Maya Poliak	2007	93.90	\$540.00	\$50,706.00
Maya Polaik	2007	61.80	\$575.00	\$35,535.00
Maya Poliak	2007	52.20	\$600.00	\$31,320.00
Maya Poliak	2007	10.40	\$630.00	\$6,552.00
Sam Rappos	2005	2.90	\$540.00	\$1,566.00
Ben Frydenberg	1994	0.60	\$625.00	\$375.00
Alex Krancevic	2017	0.50	\$325.00	\$162.50
Darren Marr	2020	3.90	\$265.00	\$1,033.50
Doug Bourassa	2005	0.70	\$550.00	\$385.00
Andrew DiMarco	Student	5.40	\$200.00	\$1,080.00
Amanda Werger	Student	9.30	\$200.00	\$1,860.00
Veronica Cesario	Student	5.90	\$225.00	\$1,327.50
Total Hours and Amounts Billed		248.30		\$132,482.50
Average Hourly Rate			\$533.56	
Total Disbursements				\$3,802.44
Total Taxes (HST)				\$17,548.67
TOTAL				\$153,833.61

ONTARIO SECURITIES COMMISSION
Applicant

-and- MONEY GATE MORTGAGES
Respondent

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

PROCEEDING COMMENCED AT
TORONTO, ONTARIO

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