

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

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

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

**MOTION RECORD
(CIPF Access to Client Files)**

November 17, 2013

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
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INDEX

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

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

INDEX

TAB DOCUMENT

1. Notice of Motion, returnable November 25, 2013
2. Affidavit of Ilana Singer, sworn October 30, 2013
- A **Exhibit "A"** – Receivership Order of Justice Wilton-Siegel dated December 7, 2012
- B **Exhibit "B"** – CIPF Notices
3. Draft Order

TAB 1

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

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

**NOTICE OF MOTION
(CIPF Access to Client Files)**

CANADIAN INVESTOR PROTECTION FUND ("CIPF"), will make motion to a Judge on Monday, November 25, 2013 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1 An Order, *inter alia*:

- (a) if necessary, abridging the time for service of the Notice of Motion and the Motion Record, and directing that any further service of the Notice of Motion and the Motion Record be dispensed with such that this motion is properly returnable on November 25, 2013;
- (b) authorizing and directing Grant Thornton Limited ("GTL"), in its capacity as the Court-appointed Receiver (the "**Receiver**") of First Leaside Securities Inc. ("FLSI") to grant access to CIPF and its legal advisors to the books and records of FLSI, including documents in each of the client files of former customers of FLSI (the "**Client Files**"), and permit CIPF to make, retain and take away copies of the Client Files in accordance with the Protocol attached as Appendix "A" to the draft Order set out at Tab 3 of the Motion Record (the "**Protocol**");

- (c) requiring CIPF to utilize copies of any documents recovered by it from the Client Files only in connection with CIPF's assessment of the claims of former customer of FLSI ("**Customers**") made against CIPF's coverage policy ("**Customer Claims**");
- (d) authorizing and directing the Receiver to provide CIPF with records and information necessary to disclose the amount/nature of any distribution made by the Receiver to any Customer that has filed a Customer Claim; and
- (e) for such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

- 1 Pursuant to the Receivership Order of Mr. Justice Wilton-Siegel dated December 7, 2012, GTL was appointed as Receiver, over all of the assets, undertaking and properties (collectively, the "**Property**") of FLSI.
- 2 The Receivership Order, among other things, authorizes the Receiver to take possession of and exercise control over the Property, and to receive, protect and preserve the Property.
- 3 The Client Files form part of the Property in the possession of the Receiver.
- 4 CIPF is a customer compensation body that provides coverage to eligible customers of investment dealers that are members of CIPF (each, a "**Member**") who have suffered or may suffer financial loss solely as a result of the insolvency of a Member.
- 5 FLSI was, prior to the receivership, a member of CIPF and its Customers, if eligible, are entitled to CIPF coverage pursuant to the terms of CIPF's coverage policy.

- 6 CIPF has instituted a claims procedure to call for claims of Customers to determine the extent of customer losses, if any, that might be subject to CIPF's coverage policy.
- 7 In order to assist with CIPF's assessment of Customer Claims, CIPF requires access to the Client Files. The most expedient approach to do this is to access the Client Files in the possession of the Receiver rather than require Customers to recover copies of documents from the Receiver (or other insolvency representative in control of FLSI's books and records).
- 8 The Receiver is prepared to provide access to the Client Files to CIPF and its legal advisors and permit CIPF to make, retain and take away copies of the Client Files in accordance with the terms of the Protocol.
- 9 Rules 1.04, 2.01, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure* (Ontario).
- 10 Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- 1 the Affidavit of Ilana Singer, sworn October 30, 2013; and
- 2 such further and other evidence as counsel may submit and this Honourable Court may permit.

Dated: November 17, 2013

BORDEN LADNER GERVAIS LLP

Barristers and Solicitors
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Craig J. Hill (LSUC No. 31888K)

Tel: 416.367.6156
Fax: 416.361.7301
Email: chill@blg.com

Lawyers for Canadian Investor Protection
Fund

TO: THE ATTACHED SERVICE LIST

SERVICE LIST

TO:	CASSELS BROCK & BLACKWELL LLP 2100 Scotia Plaza 40 King Street West Toronto, ON M5H 3C2 John N. Birch Tel: 416-860-5225 Fax: 416-640-3057 Email: jbirch@casselsbrock.com David S. Ward Tel: 416-869-5960 Fax: 416-360-3154 Email: dward@casselsbrock.com Special Counsel for the Court-Appointed Receiver	AND TO:	BLAKE CASSELS & GRAYDON LLP Barristers and Solicitors 199 Bay Street Suite 4000, Commerce Court West Toronto, ON M5L 1A9 Pamela Huff Tel: 416-863-2958 Email: pam.huff@blakes.com Katherine McEachern Tel: 416-863-2566 Email: katherine.mceachern@blakes.com Matthew Kanter Tel: 416-863-5825 Fax: 416-863-2653 Email: matthew.kanter@blakes.com Lawyers for the Court-Appointed Receiver
AND TO:	GRANT THORNTON LIMITED Royal Bank Plaza 200 Bay Street, 19 th Floor Toronto, ON M5J 2P9 Jonathan Krieger Tel: (416) 360-5055 Email: jkrieger@grantthornton.ca Daniel Sobel Tel: (416) 369-7033 Email: dsobel@grantthornton.ca Erez Cukierman Tel: (416) 369 6425 Fax: (416) 360-4949 Email: erez.cukierman@ca.gt.com Court-Appointed Receiver	AND TO:	GOWLING LAFLEUR HENDERSON LLP 1 First Canadian Place, Suite 1600 100 King St. West Toronto, ON M5X 1G5 Cliff Prophet Tel: 416-862-7525 Fax: 416-863-3422 Email: clifton.prophet@gowlings.com Lilly Wong Tel: 416-369-4630 Fax: 416-369-7230 Email: lilly.wong@gowlings.com Lawyers for the Canadian Imperial Bank of Commerce

AND TO:	STIKEMAN ELLIOTT LLP 5300 Commerce Court West 199 Bay Street Toronto, ON M5L 1B9 Maria Konyukhova Tel: 416-869-5230 Fax: 416-947-0866 Email: mkonyukhova@stikeman.com Lawyers for the Midland Loan Services Inc. and Computershare Trust Canada	AND TO:	ONTARIO SECURITIES COMMISSION 20 Queen Street West, Suite 1900 Toronto, ON M5H 3S8 Yvonne B. Chisholm Tel: 416-593-2363 Fax: 416-593-2319 Email: ychisholm@osc.gov.on.ca
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AND TO:	MCLAUCHLIN & ASSOCIATES Suite 200, 155 University Avenue Toronto, ON M3K 2A3 Megan Sanford Tel: 416-368-2555 Fax: 416-368-2599 Email: msanford@mclauchlin.ca Lawyers for Janick Electric Limited	AND TO:	GOODMANS LLP Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7 Brian Empey Tel: 416-597-4194 Fax: 416-979-1234 Email: bempey@goodmans.ca Lawyers for Investment Industry Regulatory Organization of Canada

AND TO:	DENTONS CANADA LLP 77 King Street West, Suite 400 Toronto-Dominion Centre Toronto, ON M5K 0A1 R. Shayne Kukulowicz Tel: 416-863-4740 Email: shayne.kukulowicz@dentons.com Jane Dietrich Tel: 416-863-4467 Fax: 416-863-4592 Email: jane.dietrich@dentons.com Representative Counsel for First Leaside Investors	AND TO:	WILSON VUKELICH LLP Valleywood Corporate Centre 60 Columbia Way, Suite 710 Markham ON L3R 0C9 Dan Condon Tel: 905-940-5505 Fax: 905-940-8785 Email: dcondon@wvllp.ca Lawyers for Aquanorth Contracting Ltd.
AND TO:	WAGNER SIDLOFSKY LLP 100 Richmond Street West Suite 316 Toronto, ON M5H 3K6 Gregory Sidlofsky Tel: 416- 601-9279 Fax: 416-364-6579 Email: gmsidlofsky@wagnersidlofsky.com Lawyers for 792873 Ontario Limited (H&S Equipment)	AND TO:	FEIGE, NAWROCKI LLP 3300-130 Adelaide Street West Toronto, ON M5H 3P5 Julian Nawrocki Tel: 416-366-8833 Fax: 416-366-3992 Email: nawrocki@fnlawyers.com Lawyers for Municipal Mechanical Contractors Limited
AND TO:	NORTON ROSE CANADA LLP Royal Bank Plaza, South Tower 200 Bay Street, Suite 3800 Toronto, ON M5J 2Z4 Mike Tamblyn Tel: 416-202-6705 Fax: 416-216-3930 Email: michael.tamblyn@nortonrose.com Alan B. Merskey Tel: (416) 216-4805	AND TO:	PETO MacCALLUM LTD. 165 Cartwright Avenue Toronto, ON M6A 1V5 Judy Singh Manager, Administration Phone: (416) 785-7202 Email: jsingh@petomacallum.com

	Fax: (416) 360-8277 Email: alan.merskey@nortonrose.com Lawyers for Kenaidan Contracting Limited		
AND TO:	DEPARTMENT OF JUSTICE PO Box 36, Exchange Tower 3400-130 King Street West Toronto, ON M5X 1K6 Diane Winters Tel: 416-973-3172 Fax: 416-973-0810 Email: diane.winters@justice.gc.ca Lawyers for Canada Revenue Agency	AND TO:	CRA COLLECTIONS LIAISON DEPARTMENT OF JUSTICE 130 King Street West, Suite 3400 Toronto, ON M5X 1K6 Peter Zevenhuizen Tel: (416) 952-8563 Email: peter.zevenhuizen@justice.gc.ca
AND TO:	John Wilson 18 Ringwood Drive, Suite 5-225 Stouffville, ON L4A 0N2 Tel: 647-385-6543 Email: jwilsoncanada@gmail.com	AND TO:	HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE (INCOME TAX, PST) 33 King Street West, 6th Floor PO Box 620 Oshawa, ON L1H 8E9 Kevin J. O'Hara Email: kevin.ohara@ontario.ca
AND TO:	HEENAN BLAIKIE 333 Bay Street, Suite 2900 Bay Adelaide Centre Toronto, ON M5H 2T4 John Salmas LSUC 42336B Tel: 416-360-3570 Fax: 866-895-2093 Email: jsalmas@heenan.ca Renee Broseeau LSUC 47074B Tel: 416-643-6992 Fax: 866-846-2913 Email: rbrosseau@heenan.ca	AND TO:	TORKIN MANES LLP 151 Yonge Street, Suite 1500 Toronto, ON M5C 2W7 S. Fay Sulley Tel: (416) 777-5419 Fax: 1-888-587-5769 Email: fsulley@torkinmanes.com Jeffrey J. Simpson Tel: (416) 777-5413 Fax: 1-888-587-9143 Email: jsimpson@torkinmanes.com Stewart Thom

	Lawyers for Canada Mortgage and Housing Corporation		Tel: 416 777 5197 Email: sthom@torkinmanes.com Lawyers for First Leaside Fund, First Leaside Mortgage Fund and Wimberly Fund
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AND TO:	FIDELITY INVESTMENTS Charles H. Sturdy Vice President & Associate General Counsel Tel: (617) 392-0175 Fax: (617) 598-9491 Email: charles.sturdy@fmr.com	AND TO:	CIT Canada 5035 South Service Road Burlington, ON L7R 4C8 Isobel Fraser Insolvency Specialist Tel: 905-633-2097 Fax: 905-633-2130 Email: Isobel.Fraser@cit.com
AND TO:	David C. Phillips 430 Durham Road 8 Uxbridge, ON L9P 1R1 Tel: 905-852-1049 Email: dcpphillips@gmail.com David Phillips, in his capacity as Director	AND TO:	MCMILLAN LLP 50 O'Connor Street, Suite 300 Ottawa, ON K1P 6L2 David Debenham Tel: 613-232-7171 x103 Fax: 613-231-3191 Email: david.debenham@mcmillan.ca Lawyers for 2284526 Ontario Limited and Troy Russell
AND TO:	PITNEY BOWES 5500 Explorer Drive Mississauga, ON L4W 5C7 Avanelle Pond Tel: 905-219-3211 Fax: 905-219-3826 Email: avanelle.pond@pb.com	AND TO:	RCAP LEASING INC. Equipment Finance and Leasing 5575 North Service Road, Suite 300 Burlington, ON L7L 6M1 Tel: 905-639-3995 Fax: 800-436-0884 Email: csc@rcapleasing.com

AND TO:	Margaret Davis 430 Durham Road 8 Uxbridge, ON L9P 1R1 Email: mjddavis56@gmail.com	AND TO:	THE TORONTO-DOMINION BANK 55 King Street West, 3rd Floor Toronto, ON M5K 1A2
AND TO:	LANCASTER, BROOKS & WELCH LLP P.O. Box 790 80 King Street, Suite 800 St. Catharines, ON L2R 6Z1 Malte von Anrep, Q.C. Tel: 905-641-1511 Fax: 905-641-3340 Email: mvonanrep@lbwlawyers.com Lawyers for First Ontario Credit Union		BLANEY MCMURTRY LLP 2 Queen Street East, Suite 1500 Toronto, ON M5C 3G5 John Papadakis Tel: 416-593-1221 Fax: 416-593-5437 Email: jpapadakis@blaney.com Ontario Lawyers for the Toronto- Dominion Bank

Schedule "A" – List of Additional Receivership Applicants

First Leaside Finance Inc.
First Leaside Securities Inc.
F.L. Securities Inc.
Mill Street Limited Partnership
Harmony Townhomes Limited Partnership
First Leaside Management Inc.
Development Notes Limited Partnership
Special Notes Limited Partnership
First Leaside Accounting and Tax Services Inc.
2086056 Ontario Inc.
First Leaside Properties Limited Partnership
First Leaside Realty Inc.
First Leaside Realty Limited Partnership
First Leaside Realty II Inc.
First Leaside Investors Limited Partnership
First Leaside Premier Limited Partnership
First Leaside Progressive Limited Partnership
First Leaside Realty II Limited Partnership
First Leaside Ultimate Limited Partnership
First Leaside Universal Limited Partnership
Uxbridge Development Limited Partnership
First Leaside Retirement Residences Limited Partnership
First Leaside Venture Limited Partnership
965010 Ontario Inc.
Wimberly Apartments Limited Partnership
1045517 Ontario Inc.
The Shores Limited Partnership
1024919 Ontario Inc.
Old Mill Pond Apartments Limited Partnership
1031628 Ontario Inc.
1056971 Ontario Inc.
The Bluffs of Lakewood Limited Partnership
1376095 Ontario Inc.
F.L. Spring Valley Limited Partnership
1437290 Ontario Ltd.
First Leaside Partners Limited Partnership
First Leaside Opportunities Limited Partnership
1244428 Ontario Ltd.
Preston Racquet Club Real Estate Limited Partnership Series 910PA
Preston Racquet Club Real Estate Limited Partnership Series 910PB
Preston Racquet Club Real Estate Limited Partnership Series 910PC
Preston Racquet Club Real Estate Limited Partnership Series 910PD
PrestonOne Development (Canada) Inc.
PrestonTwo Development (Canada) Inc.

PrestonThree Development (Canada) Inc.
PrestonFour Development (Canada) Inc.
2088543 Ontario Inc.
2088544 Ontario Inc.
F.L.W. Pond Master Ltd.
2088545 Ontario Inc.
F.L.W. Shores Master Ltd.
1331607 Ontario Inc.
First Leaside Acquisitions Limited Partnership
Queenston Manor General Partner Inc.
Queenston Manor Limited Partnership
2107738 Ontario Inc.
First Leaside Advantage Limited Partnership
2128054 Ontario Inc.
First Leaside Elite Limited Partnership
1132413 Ontario Inc.
First Leaside Entities Limited Partnership
2067171 Ontario Inc.
First Leaside Expansion Limited Partnership
2085306 Ontario Inc.
First Leaside Growth Limited Partnership
2086218 Ontario Inc.
First Leaside Unity Limited Partnership
First Leaside Visions Management Inc.
2007804 Ontario Inc.
First Leaside Wealth Management Limited Partnership
First Leaside Fund Management Inc.
F.L. Beverages Group Limited Partnership
First Leaside Global Limited Partnership
Special U.S. Notes Limited Partnership
FLWM Holdings Limited Partnership
First Leaside Select Limited Partnership
Cherry Park Retirement Residences Limited Partnership
First Leaside Retirement Residences (Okanagan) Limited Partnership
Orchard Valley Retirement Residences Limited Partnership
The Shores Retirement Residences Limited Partnership
F.L. PrimeTime Living Limited Partnership

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(CIPF Access to Client Files)**

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TOR01: 5344019: v1

TAB 2

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

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

AFFIDAVIT OF ILANA SINGER
(Sworn October 30, 2013)

**I, ILANA SINGER, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY THAT:**

1. I am a Vice-President of the Canadian Investor Protection Fund ("CIPF") and as such have personal knowledge of the facts hereinafter deposed to, save and except where my knowledge is indicated to be based on information and belief and where so stated I verily believe same to be true.

Background

2. CIPF is a not-for-profit organization incorporated by letters patent under the provisions of Part II of the *Canada Corporations Act*. CIPF administers a fund that is sponsored by Investment Industry Regulatory Organization of Canada ("IIROC"), Canada's sole self-regulatory organization ("SRO") regulating investment dealers. The purpose of the fund is to protect customers of CIPF members in the event any securities firm member becomes insolvent or is unable to meet its liabilities to its customers. CIPF is a "customer compensation body" as defined in Section 253 of the *Bankruptcy and Insolvency Act* ("BIA").

3. Prior to its insolvency, First Leaside Securities Inc. ("FLSI") was a dealer in securities and was registered as such with the IIROC and with the Ontario Securities Commission ("OSC").

4. On February 24, 2012, IIROC suspended the membership of FLSI and FLSI ceased dealing with the public. This followed an application made by First Leaside to commence proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") on February 23, 2012. From February 23, 2012 to December 7, 2012, the First Leaside entities operated as debtors under the CCAA.

5. Commencing during the CCAA proceedings, FLSI's carrying broker, Penson Financial Services Canada Inc., facilitated the orderly transfer of customer accounts from FLSI to other securities dealers. It is my understanding that Penson has completed that process and that all customer accounts were transferred from FLSI (and Penson) to other securities dealers that are IIROC members.

6. Pursuant to the Receivership Order of Mr. Justice Wilton-Siegel dated December 7, 2012, GTL was appointed as Receiver, without security, over all of the assets, undertaking and properties (collectively, the "**Property**") of First Leaside. A copy of the Receivership Order is attached hereto as **Exhibit "A"**.

7. CIPF has posted several notices regarding FLSI's insolvency on the CIPF website advising FLSI customers (among others) that:

- (a) customers with accounts at FLSI who have suffered or may suffer financial loss solely as a result of FLSI's insolvency may be eligible for coverage by CIPF subject to prescribed limits (Notice dated February 24, 2012);
- (b) losses arising from changing market values of securities, unsuitable investments or the default of an issuer of securities are not eligible for CIPF coverage (Notice dated February 24, 2012);
- (c) CIPF would institute a claims process that will be specific to the customers of FLSI (Notice dated February 24, 2012);
- (d) during the week of April 8, 2013 CIPF commenced the process of delivering notices to former customers of FLSI regarding the claims procedure (Notice dated December 7, 2012); and

- (e) the deadline for submission of claims to CIPF (via Ernst & Young Inc.) was October 12, 2013 (Notice dated April 11, 2013) .

Copies of the Notices posted on the CIPF website are collectively attached hereto and marked **Exhibit "B"**.

Need for access to Client Files

8. The Receivership Order, among other things, authorizes the Receiver to take possession of and exercise control over all of the assets, undertaking and properties (collectively, the "**Property**") of First Leaside (including FLSI), and to receive, protect and preserve the Property.

9. The books and records of FLSI, including documents in each of the client files of former customers of FLSI ("**Client Files**"), form part of the Property in the possession of the Receiver. It may be necessary for CIPF (and/or its legal advisors) to have access to the Client Files in the possession of the Receiver in order to facilitate CIPF's review and assessment of any claims filed with CIPF by former customers of FLSI. It is not atypical in the process of submitting claims to CIPF that customers of an insolvent securities firm do not have copies of all of the necessary or relevant documents from their Client Files. The most expedient approach is, from CIPF's perspective, accessing the Client Files in connection with a review of customer claims, rather than requiring claimants to seek to recover copies of the documents from the insolvency representative in control of the books and records.

10. In addition, it may be necessary for CIPF to make, retain and take away copies of any and all documents contained in the Client Files where such documents are relevant to the assessment of the claim filed with CIPF.

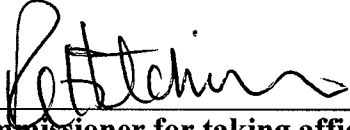
11. The Receiver has advised CIPF that, subject to authorization from the Court, it is prepared to provide access to the Client Files to CIPF, upon terms to be agreed between CIPF and the Receiver regarding the terms of accessing the Client Files. The terms of the protocol between CIPF and the Receiver will be available to the Court for review, upon request.

12. This affidavit is sworn in support of CIPF's motion for access to the Client Files for the reasons noted above.

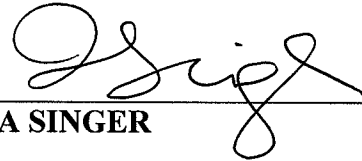
SWORN BEFORE ME at the City of

Toronto, Ontario, this 30th day

of October, 2013



A Commissioner for taking affidavits, etc.



ILANA SINGER

Exhibit “A”

This is Exhibit.....A.....referred to in the
affidavit of.....ILANA SINGER.....
sworn before me, this.....30th.....
day of.....OCTOBER.....2013.....

Court File No. CV12-9930-00CL



A COMMISSIONER FOR TAKING AFFIDAVITS

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)
JUSTICE WILTON-SIEGEL)
)

FRIDAY, THE 7th
DAY OF DECEMBER, 2012

IN THE MATTER OF THE RECEIVERSHIP OF First Leaside Wealth Management Inc., First Leaside Finance Inc., First Leaside Securities Inc., FL Securities Inc., Mill Street Limited Partnership, Harmony Townhomes Limited Partnership, First Leaside Management Inc., Development Notes Limited Partnership, Special Notes Limited Partnership, First Leaside Accounting and Tax Services Inc., 2086056 Ontario Inc., First Leaside Properties Limited Partnership, First Leaside Realty Inc., First Leaside Realty Limited Partnership, First Leaside Realty II Inc., First Leaside Investors Limited Partnership, First Leaside Premier Limited Partnership, First Leaside Progressive Limited Partnership, First Leaside Realty II Limited Partnership, First Leaside Ultimate Limited Partnership, First Leaside Universal Limited Partnership, Uxbridge Development Limited Partnership, First Leaside Retirement Residences Limited Partnership, First Leaside Venture Limited Partnership, 965010 Ontario Inc., Wimberly Apartments Limited Partnership, 1045517 Ontario Inc., The Shores Limited Partnership, 1024919 Ontario Inc., Old Mill Pond Apartments Limited Partnership, 1031628 Ontario Inc., 1056971 Ontario Inc., The Bluffs of Lakewood Limited Partnership, 1376095 Ontario Inc., F.L. Spring Valley Limited Partnership, 1437290 Ontario Ltd., First Leaside Partners Limited Partnership, First Leaside Opportunities Limited Partnership, 1244428 Ontario Ltd., Preston Racquet Club Real Estate Limited Partnership Series 910PA, Preston Racquet Club Real Estate Limited Partnership Series 910PB, Preston Racquet Club Real Estate Limited Partnership Series 910PC, Preston Racquet Club Real Estate Limited Partnership Series 910PD, PrestonOne Development (Canada) Inc., PrestonTwo Development (Canada) Inc., PrestonThree Development (Canada) Inc., PrestonFour Development (Canada) Inc., 2088543 Ontario Inc., 2088544 Ontario Inc., F.L.W. Pond Master Ltd., 2088545 Ontario Inc., F.L.W. Shores Master Ltd., 1331607 Ontario Inc., First Leaside Acquisitions Limited Partnership, Queenston Manor General Partner Inc., Queenston Manor Limited Partnership, 2107738 Ontario Inc., First Leaside Advantage Limited Partnership, 2128054 Ontario Inc., First Leaside Elite Limited Partnership, 1132413 Ontario Inc., First Leaside Entities Limited Partnership, 2067171 Ontario Inc., First Leaside Expansion Limited Partnership, 2085306 Ontario Inc., First Leaside Growth Limited Partnership, 2086218 Ontario Inc., First Leaside Unity Limited Partnership, First Leaside Visions Management Inc., 2007804 Ontario Inc., First Leaside Wealth Management Limited Partnership, First Leaside Fund Management Inc., F.L. Beverages Group Limited Partnership, First Leaside Global Limited Partnership, Special U.S. Notes Limited Partnership, FLWM Holdings Limited Partnership, First Leaside Select Limited Partnership, Cherry Park Retirement Residences Limited Partnership, First Leaside Retirement Residences (Okanagan) Limited Partnership, Orchard Valley Retirement Residences Limited Partnership, The Shores Retirement Residences Limited Partnership, F.L. PrimeTime Living Limited Partnership (collectively, "Applicants")

RECEIVERSHIP ORDER

This application (the "**Application**") made by the above-noted Applicants (each, an "**Applicant**" and, collectively, "**First Leaside**") for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Grant Thornton Limited as receiver (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of First Leaside acquired for, or used in relation to a business carried on by First Leaside, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING First Leaside's Notice of Motion, Notice of Application, the Affidavit of Gregory MacLeod, sworn December 3, 2012 (the "**MacLeod Affidavit**") and filed in Commercial List File No. CV-12-9617-00CL (the "**CCAA Proceedings**"), the combined Seventh Report of Grant Thornton Limited, in its capacity as Court-appointed monitor, and pre-filing report of Grant Thornton Limited (as combined, the "**Seventh Report**"), in its capacity as proposed Receiver and on hearing the submissions of counsel for First Leaside, the Receiver and Fraser Milner Casgrain LLP in its capacity as Court-appointed representative counsel ("**Representative Counsel**") representing the interests of the nearly 1,200 clients of First Leaside Securities Inc. ("**FLSI**"), counsel for the OSC, counsel for IIROC, and counsel for the Independent Committee of the Board of Directors of First Leaside Wealth Management Inc., counsel for the Trustees of the First Leaside Fund and Wimberly Fund, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service of Patricia Hoogenband sworn December 4, 2012 and Maria Konidis sworn December 5, 2012, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

AMENDMENT

2. **THIS COURT ORDERS** that the title of proceedings of this Application is hereby amended to add First Leaside Retirement Residences Limited Partnership, F.L. PrimeTime Living Limited Partnership and Harmony Townhomes Limited Partnership as Applicants to the receivership proceedings and as entities entitled to the benefit of this Receivership Order and any other orders made in this Application.

APPOINTMENT OF RECEIVER

3. **THIS COURT ORDERS** that pursuant to section 101 of the CJA, Grant Thornton Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and remaining properties of First Leaside acquired for, or used in relation to a business carried on by First Leaside, including all proceeds thereof (the "**Property**").

4. **THIS COURT DECLARES** that the Receiver is a receiver within the meaning of Section 243(2)(b) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**").

5. **THIS COURT ORDERS** that the Receiver be and is hereby relieved from compliance with the provisions of Sections 245(1), 245(2) and 246 of the BIA; provided that the Receiver shall provide notice of its appointment by way of a copy of this Order to the Superintendent of Bankruptcy, accompanied by the prescribed fee.

RECEIVER'S POWERS

6. **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, including all monies (i) currently held in accounts

in the name of and/or controlled by First Leaside, and (ii) received by First Leaside or the Receiver on behalf of First Leaside after the date hereof (collectively, the "**Funds**");

- (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 First Leaside, 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 First Leaside;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons, including G.S. MacLeod & Associates Inc., Blake Cassels & Graydon LLP and Cassels Brock & Blackwell LLP, 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) for the Applicants to seek Court approval of a claims procedure order (the "**Claims Procedure Order**") for purposes of establishing a process of determining the claims of creditors, investors and other stakeholders (the "**Claims Process**"), and for the Receiver to conduct the Claims Process established by the Claims Procedure Order dated December 7, 2012, and to take such further steps and seek such additional orders as the Receiver considers necessary or

appropriate to fully determine, resolve or deal with any claims in these receivership proceedings;

- (f) to settle, extend or compromise any indebtedness owing to First Leaside in the name of and on behalf of First Leaside, whether in connection with the Claims Procedure Order or otherwise;
- (g) to apply for one or more orders of the Court authorizing the distribution of Funds and any other proceeds of the Property upon the completion of all realization steps and the determination of all claims pursuant to the Claims Procedure Order or otherwise;
- (h) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of First Leaside or any part or parts thereof;
- (i) 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 First Leaside, for any purpose pursuant to this Order;
- (j) to receive and collect all monies and accounts now owed or hereafter owing to First Leaside and to exercise all remedies of First Leaside in collecting such monies, including, without limitation, to enforce any security held by First Leaside;
- (k) to undertake environmental or workers' health and safety assessments of the Property and operations of First Leaside;
- (l) 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 First Leaside, the Property or the Receiver, including, without limitation, the action styled *First Leaside Wealth Management Inc., First Leaside Finance Inc., First*

Leaside Securities Inc. and FL Securities Inc. v. Phillips, Davis and 970877 Ontario Inc., Court File No. CV-12-9821-00CL, 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 and to the giving of evidence or participating in any hearings or proceedings involving the Ontario Securities Commission or Investment Industry Regulatory Organization of Canada;

- (m) 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;
- (n) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) upon consultation with Representative Counsel but 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, and in each case the Ontario *Bulk Sales Act* shall not apply;

- (o) 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;
- (p) 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;
- (q) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (r) 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 any Applicant;
- (s) to enter into agreements with any trustee in bankruptcy appointed in respect of any Applicant, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any Applicant.
- (t) to exercise any shareholder, partnership, joint venture or other rights which First Leaside may have;
- (u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;
- (v) to pay the costs and expenses of the receivership out of the Funds;
and
- (w) to apply for advice and directions from the Court with respect to any matter outstanding in these proceedings;

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 First Leaside, and without interference from any other Person.

7. **THIS COURT ORDERS** that the Receiver be authorized and empowered to

- (a) cause First Leaside Nominee Services Inc. ("**FL Nominee**"), as a wholly-owned subsidiary of First Leaside Wealth Management Inc., to distribute to investors in a syndicated mortgage in respect of the property known municipally as 90 King Street East, Thornbury, Ontario (Parcel Identification Numbers 37140-0546 (LT) and 37140-0546 (LT)) (the "**Thornbury Mortgage**") the current and future net proceeds on account of principal and interest received and held by FL Nominee in respect of the Thornbury Mortgage, as approved by this Court on October 22, 2012;
- (b) sell or otherwise dispose of the property known municipally as 123 Erie Street, Wheatley, Ontario, a development site owned by First Leaside Unity Limited Partnership which limited partnership is owned by First Leaside Expansion Limited Partnership, subject to further Court approval;
- (c) sell or otherwise dispose of the property known municipally as 164 Cemetery Road, Uxbridge, Ontario, a 23 acre parcel of land (of which only 4 acres are developable) owned by Uxbridge Development Limited Partnership which limited partnership is owned by First Leaside Progressive Limited Partnership, subject to further Court approval; and
- (d) sell or otherwise dispose of the property known municipally as 62 Mill Street, Uxbridge, Ontario, a 3.74 acre plot of land containing a small heritage home, owned by Mill Street Limited Partnership

which limited partnership is owned by First Leaside Investors Limited Partnership, subject to further Court approval.

8. **THIS COURT ORDERS** that, with respect to funds placed into escrow (the "**Escrowed Funds**") pursuant to sale agreements entered into by First Leaside prior to the date of this Receivership Order and related escrow agreements (collectively, a "**Sale Agreement**"), including, without limitation, funds placed into escrow pursuant to the BayBridge Agreement (as defined in the Affidavit of Gregory MacLeod, sworn October 15, 2012 and filed in the CCAA Proceedings and the related escrow agreement, the Receiver shall have the power to

- (a) negotiate with a counterparty to a Sale Agreement (a "**Counterparty**") to permit the consensual distribution of the Escrowed Funds as permitted by the Sale Agreement ("**Consensual Distribution**");
- (b) seek approval of the Court concerning a settlement respecting a claim of the Counterparty or any other party to the Escrowed Funds (an "**Escrow Funds Claim**");
- (c) prepare statements and other documents relating to the Escrowed Funds and any Escrow Funds Claim;
- (d) mediate, arbitrate (if required by a Sale Agreement), or seek an adjudication by the Court of an Escrow Funds Claim;
- (e) otherwise seek directions of the Court concerning the Escrowed Funds and any Escrow Funds Claim;
- (f) direct any party holding Escrowed Funds (the "**Escrow Agent**") to pay all or part of Escrowed Funds to the Receiver, the Counterparty, or any third party pursuant to a Consensual Distribution or Court order (collectively, a "**Mandatory Payment**") and, upon making such Mandatory Payment, the Escrow Agent

shall be discharged from any liability in relation to the Escrowed Funds so paid.

9. **THIS COURT ORDERS** that the Receiver is authorized and directed to abstain from voting the ownership interest of certain aggregate outstanding units in Wimberly Fund, First Leaside Fund, First Leaside Properties Fund and First Leaside Mortgage Fund (collectively, the "**First Leaside Funds**"), at any meeting of the unitholders of the First Leaside Funds to be held on December 10, 2012 or December 13, 2012, and any subsequent meeting of such unitholders.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

10. **THIS COURT ORDERS** that (i) the Applicants, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their 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.

11. **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 any Applicant, 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 11 or in paragraph 12 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.

12. **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

13. **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 FIRST LEASIDE OR THE PROPERTY

14. **THIS COURT ORDERS** that no Proceeding against or in respect of any Applicant 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 any Applicant or the Property and stayed pursuant to the Initial Order in the CCAA Proceedings, dated February 23, 2012 (the "**Initial Order**") and the Stay Period (as defined in the Initial Order and most recently extended through December 11, 2012) continue to be stayed and suspended pending further Order of this Court.

NO PROCEEDINGS AGAINST FIRST LEASIDE'S DIRECTORS AND OFFICERS

15. **THIS COURT ORDERS** that the stay of proceedings in respect of any current or former director or officer of any of the Applicants (each, a "**Director or Officer**"), provided in paragraph 24 of the Initial Order is hereby continued with respect to any claim against any Director or Officer that arose before the date hereof and that relates to any obligations of the Applicant whereby such Director or Officer is alleged to be liable in their capacity as Director or Officer for the payment or performance of such obligations, and that no Proceeding shall be commenced or continued against any Director or Officer 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 any Director or Officer stayed pursuant to the Initial Order and the Stay Period, other than those Proceedings where leave of the Court to commence or continue such Proceedings has been granted, shall continue to be stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

16. **THIS COURT ORDERS** that all rights and remedies against any Applicant, the Receiver, or affecting the Property, are hereby and continue to be stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (a) empower the Receiver or First Leaside to carry on any business which First Leaside is not lawfully entitled to carry on, (b) exempt the Receiver or any Applicant from compliance with statutory or regulatory provisions relating to health, safety or the environment, (c) prevent the filing of any registration to preserve or perfect a security interest, or (d) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

17. **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 any Applicant, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

18. **THIS COURT ORDERS** that all Persons having oral or written agreements with any Applicant 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 First Leaside 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 First Leaside'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 First Leaside 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

19. **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

20. **THIS COURT ORDERS** that all employees of First Leaside shall remain the employees of First Leaside until such time as the Receiver, on First Leaside'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

21. **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 First Leaside, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

22. **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

23. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

24. **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, 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 charge on the Property ranking *pari passu* with and subject to the same limitations as the Administration Charge established pursuant to the Initial Order and continued by the Discharge and Transition Order, dated December 7, 2012 (the "**Discharge and Transition Order**"), but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

25. **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.

26. **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 normal 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.

APPOINTMENT AND FEES OF REPRESENTATIVE COUNSEL

27. **THIS COURT ORDERS** that Fraser Milner Casgrain LLP's appointment as Representative Counsel for the clients of FLSI, as approved by paragraph 42 of the Initial Order, as amended by this Court on June 28, 2012, be and is hereby continued with respect to these receivership proceedings.

28. **THIS COURT ORDERS** that Representative Counsel are authorized to take all steps and do all acts necessary or desirable to carry out the terms of their appointment, including dealing with any Court, regulatory body or other government ministry, department or agency, and to take all such steps as are necessary or incidental thereto.

29. **THIS COURT ORDERS** that Representative Counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that Representative Counsel shall be entitled to and is hereby granted a charge (the "**Representative Counsel Charge**") on the Property, which charge shall not exceed an aggregate amount of \$50,000, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Representative Counsel Charge shall form a charge on the Property ranking *pari passu* with and subject to the same limitations as the Receiver's Charge and the Administration Charge established pursuant to the Initial Order and continued by the

Discharge and Transition Order, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

30. **THIS COURT ORDERS** that Representative Counsel shall pass its accounts from time to time, and for this purpose the accounts of Representative Counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. **THIS COURT ORDERS** that fees and disbursements of the Receiver, the Receiver's legal counsel and Representative Counsel incurred during these receivership proceedings shall be invoiced in accordance with the preliminary billing protocol set out in paragraphs 21-23 of the Monitor's First Report dated March 21, 2012 filed in the CCAA Proceedings.

32. **THIS COURT ORDERS** that the allocation as against the Property of all fees and disbursements of the Receiver, the Receiver's legal counsel and Representative Counsel incurred during these receivership proceedings shall be subject to approval of the Court on motion by the Receiver.

33. **THIS COURT ORDERS** that the Receiver shall file a motion for allocation of costs incurred in the CCAA Proceedings as provided for in paragraph 11 of the Discharge and Transition Order when it is reasonably practicable to do so and such motion may be combined with the approval motion to be sought under paragraph 32 of this Order.

GENERAL

34. **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.

35. **THIS COURT ORDERS** that, subject to paragraphs 24 and 29 above and subject to sections 14.07(7), 81.4(4) and 81.6(2) of the BIA, the Administration Charge, the Directors' Charge, and the Inter-Company Charge, (all as defined in the Initial Order)

shall continue to apply to the Property in accordance with paragraph 16 of the Discharge and Transition Order.

36. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any Applicant.

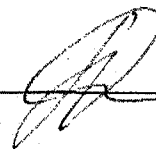
37. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, 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.

38. **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.

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



DEC 10 2012



A. Anissimova
Registrar

**IN THE MATTER OF THE RECEIVERSHIP OF FIRST LEASIDE
WEALTH MANAGEMENT INC. ET AL.**

Court File No: CV12-9930-00CL

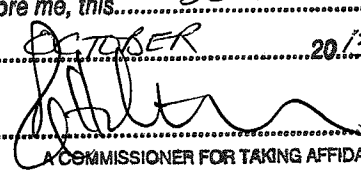
Applicants

ONTARIO SUPERIOR COURT OF JUSTICE (Commercial List)
Proceeding commenced at Toronto
RECEIVERSHIP ORDER
CASSELS BROCK & BLACKWELL LLP 2100 Scotia Plaza 40 King Street West Toronto, Ontario M5H 3C2 John N. Birch LSUC #: 38968U Tel: 416.860.5225 Fax: 416.640.3057 jbirch@casselsbrock.com David S. Ward LSUC#: 33541W Tel: 416.869.5960 Fax: 416.360.3154 dward@casselsbrock.com Lawyers for the Applicants

22309982.8

Exhibit “B”

37

This is Exhibit.....B.....referred to in the
affidavit of.....ILANA SINGER.....
sworn before me, this.....30th.....
day of.....OCTOBER.....2013.....
..........
A COMMISSIONER FOR TAKING AFFIDAVITS

NOTICE

TO: Customers of First Leaside Securities Inc.

On February 24, 2012, the Investment Industry Regulatory Organization of Canada (IIROC) suspended the membership of First Leaside Securities Inc. (First Leaside). First Leaside has ceased dealing with the public and IIROC staff may undertake any action with First Leaside's carrying broker, Penson Financial Services Canada Inc., to facilitate the orderly transfer of customer accounts from First Leaside.

The Canadian Investor Protection Fund (CIPF) understands that First Leaside has ceased business but does not have complete information as to its financial status. However, customers with accounts at First Leaside who have suffered or may suffer financial loss solely as a result of First Leaside being or becoming insolvent may be eligible for coverage by CIPF for such losses to prescribed limits. Such loss must be in respect of a claim for the failure of First Leaside to return or account for securities, cash balances, commodities, futures contracts, segregated insurance funds or other property, received, acquired or held by, or in the control of, First Leaside for the customer, including property unlawfully converted. Losses that do not result from the insolvency of First Leaside such as losses arising from changing market values of securities, unsuitable investments or the default of an issuer of securities are not eligible for CIPF coverage.

For more information on CIPF coverage and the claims process, you may contact CIPF at 416 866 8366 or toll-free at 1 866 243 6981 or visit CIPF's website at www.cipf.ca. Claims must be submitted to CIPF by August 22, 2012 and claim forms can be found here.

NOTICE ISSUED DECEMBER 7, 2012

To: Customers of First Leaside Securities Inc. (FLSI)

On December 7, 2012 the Ontario Superior Court of Justice issued an Order appointing Grant Thornton Limited as Receiver of the First Leaside group of companies (including FLSI) pursuant to section 101 of the *Courts of Justice Act*.

The Canadian Investor Protection Fund ("CIPF") had posted a Notice on its website on August 16, 2012 that the deadline to submit claims to CIPF would be extended to align with a claims process established in FLSI's proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA"). The CCAA proceedings have now been terminated.

CIPF has determined that it will institute a claims process that will be specific to the customers of FLSI, CIPF's Member. CIPF will advise of the process and the date by which claims must be submitted on its website as soon as possible.

For more information on CIPF coverage and the claims process, you may contact CIPF at 416 866 8366 or toll-free at 1 866 243 6981 or visit CIPF's website at cipf.ca.

**NOTICE TO CUSTOMERS OF FIRST LEASIDE SECURITIES INC. ("FLSI") DATED
APRIL 11, 2013**

On December 7, 2012 the Ontario Superior Court of Justice issued an Order appointing Grant Thornton Limited as Receiver of the First Leaside group of companies (including FLSI) pursuant to section 101 of the *Courts of Justice Act*. As you may be aware, the appointment of the Receiver was made at the end of the proceedings commenced by the First Leaside Group of Companies under the *Companies' Creditors Arrangement Act* on February 23, 2012.

The Canadian Investor Protection Fund ("CIPF") had previously posted a Notice on its website on December 7, 2012 that it would institute a claims procedure that would be specific only to the customers of FLSI, CIPF's Member. The CIPF claims procedure is independent of the claims procedure being administered by the Receiver of the First Leaside group of companies.

During the week of April 8, 2013, CIPF has commenced the process of delivering notices to the former customers of FLSI regarding the claims procedure. The deadline for submission of claims to CIPF is October 12, 2013.

For more information on CIPF coverage and the claims procedure, you may contact CIPF at 416 866 3666 or toll-free at 1 866 243 6981 or visit CIPF's website at cipf.ca.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding commenced at Toronto

AFFIDAVIT OF ILANA SINGER
(sworn October 30, 2013)

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TAB 3

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

THE HONOURABLE JUSTICE	)))	MONDAY, THE 25th DAY OF NOVEMBER, 2013
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**IN THE MATTER OF THE RECEIVERSHIP OF First Leaside Wealth Management Inc.
and the Applicants Listed on Schedule "A" (collectively, "First Leaside")**

**ORDER
(CIPF Access to Client Files)**

THIS MOTION, made by the Canadian Investor Protection Fund ("**CIPF**"), was heard this day at 330 University Ave, Toronto, Ontario.

ON READING the Affidavit of Ilana Singer, sworn October 30, 2013 (the "**CIPF Affidavit**"), and on hearing the submissions of counsel for CIPF, no one else appearing although being duly served, as appears from the Affidavit of Service of ●, sworn November ●, 2013, filed, and on being advised that Grant Thornton Limited ("**GTL**"), in its capacity as the Court-appointed Receiver (the "**Receiver**") of First Leaside, does not oppose to the making of the Order herein,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Receiver is authorized and directed to grant access to CIPF and its legal advisors to the Client Files (as defined in the CIPF Affidavit), and permit CIPF to make, retain and take away copies of the Client Files in accordance with the Protocol attached hereto as Appendix "A".

3. **THIS COURT ORDERS** that CIPF is entitled to utilize any copies of documents recovered by it from the Client Files only in connection with CIPF's assessment of the claims of former customers of First Leaside Securities Inc. ("**Customers**") made against CIPF's coverage policy ("**Customer Claims**").

4. **THIS COURT ORDERS** that the Receiver is authorized and directed to provide CIPF with records and information necessary to disclose the amount/nature of any distribution made by the Receiver to any Customer that has filed a Customer Claim.

Schedule "A" – List of Additional Receivership Applicants

First Leaside Finance Inc.
First Leaside Securities Inc.
F.L. Securities Inc.
Mill Street Limited Partnership
Harmony Townhomes Limited Partnership
First Leaside Management Inc.
Development Notes Limited Partnership
Special Notes Limited Partnership
First Leaside Accounting and Tax Services Inc.
2086056 Ontario Inc.
First Leaside Properties Limited Partnership
First Leaside Realty Inc.
First Leaside Realty Limited Partnership
First Leaside Realty II Inc.
First Leaside Investors Limited Partnership
First Leaside Premier Limited Partnership
First Leaside Progressive Limited Partnership
First Leaside Realty II Limited Partnership
First Leaside Ultimate Limited Partnership
First Leaside Universal Limited Partnership
Uxbridge Development Limited Partnership
First Leaside Retirement Residences Limited Partnership
First Leaside Venture Limited Partnership
965010 Ontario Inc.
Wimberly Apartments Limited Partnership
1045517 Ontario Inc.
The Shores Limited Partnership
1024919 Ontario Inc.
Old Mill Pond Apartments Limited Partnership
1031628 Ontario Inc.
1056971 Ontario Inc.
The Bluffs of Lakewood Limited Partnership
1376095 Ontario Inc.
F.L. Spring Valley Limited Partnership
1437290 Ontario Ltd.
First Leaside Partners Limited Partnership
First Leaside Opportunities Limited Partnership
1244428 Ontario Ltd.
Preston Racquet Club Real Estate Limited Partnership Series 910PA
Preston Racquet Club Real Estate Limited Partnership Series 910PB
Preston Racquet Club Real Estate Limited Partnership Series 910PC
Preston Racquet Club Real Estate Limited Partnership Series 910PD
PrestonOne Development (Canada) Inc.
PrestonTwo Development (Canada) Inc.

PrestonThree Development (Canada) Inc.
PrestonFour Development (Canada) Inc.
2088543 Ontario Inc.
2088544 Ontario Inc.
F.L.W. Pond Master Ltd.
2088545 Ontario Inc.
F.L.W. Shores Master Ltd.
1331607 Ontario Inc.
First Leaside Acquisitions Limited Partnership
Queenston Manor General Partner Inc.
Queenston Manor Limited Partnership
2107738 Ontario Inc.
First Leaside Advantage Limited Partnership
2128054 Ontario Inc.
First Leaside Elite Limited Partnership
1132413 Ontario Inc.
First Leaside Entities Limited Partnership
2067171 Ontario Inc.
First Leaside Expansion Limited Partnership
2085306 Ontario Inc.
First Leaside Growth Limited Partnership
2086218 Ontario Inc.
First Leaside Unity Limited Partnership
First Leaside Visions Management Inc.
2007804 Ontario Inc.
First Leaside Wealth Management Limited Partnership
First Leaside Fund Management Inc.
F.L. Beverages Group Limited Partnership
First Leaside Global Limited Partnership
Special U.S. Notes Limited Partnership
FLWM Holdings Limited Partnership
First Leaside Select Limited Partnership
Cherry Park Retirement Residences Limited Partnership
First Leaside Retirement Residences (Okanagan) Limited Partnership
Orchard Valley Retirement Residences Limited Partnership
The Shores Retirement Residences Limited Partnership
F.L. PrimeTime Living Limited Partnership

Appendix "A" - Protocol

1. Client Files will be retrieved from storage to a work space or office ("Office") within the storage facility located in Scarborough (the "Premises"). The cost of retrieving files from storage to the Office will be paid by CIPF (pursuant to an agreed upon fee per box, or similar quantifier charged by the storage company) to the owner/operator of the Premises (the "Operator").
2. A junior staff member from the Receiver will be entitled to be present during the time of CIPF's review of the client files. The hourly rate (to be confirmed) for the time that CIPF is reviewing documents will be paid by CIPF. If the Receiver requires that a staff member be present, such staff member will assist the CIPF representative with matters such as locating client files and documents from the boxes on site.
3. Any documents that are required by CIPF will be marked and the Operator will arrange for copies of all requested documents. CIPF will pay the copying cost on a per copy basis to the Operator.
4. The originals of any documents that have been copied will be retained by the Operator, at the Receiver's cost, until the earlier of: (i) the resolution of the customer's claim filed with CIPF, if any; or (b) the discharge of the Receiver. In the event that the Receiver seeks its discharge prior to the resolution of the claims of customers in the CIPF claims process, the Receiver and CIPF agree to negotiate in good faith or seek an order of the Court with respect to the continued retention of the documents after the Receiver's discharge, *inter alia*, at CIPF's cost, until the resolution of the Customer's claim filed with CIPF.
5. Employees of CIPF or representatives from Borden Ladner Gervais LLP will be permitted to attend to review the Client Files at the Office.
6. CIPF will dispose of any copies of documents recovered from the Receiver relating to a particular Customer as soon as possible after CIPF has determined that the claims process with respect to that Customer is complete (including the Customer's right of access to the Court, if any, in connection with an appeal of a CIPF determination)

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

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**ORDER
(CIPF Access to Client Files)**

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SUPERIOR COURT OF JUSTICE
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MOTION RECORD
(CIPF Access to Client Files)

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