

Court File No. CV-23-00003417-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE TORONTO DOMINION BANK

Applicant

-and-

FLORENTINE FINANCIAL CORPORATION AND
A&H ASSET AUCTIONS INC.

Respondents

APPLICATION UNDER SECTION 243(1) OF THE BANKRUPTCY AND
INSOLVENCY ACT, RSC 1985, c B-3. AS AMENDED AND UNDER SECTION 101
OF THE COURTS OF JUSTICE ACT, RSO 1990, cC43, AS AMENDED

**SUPPLEMENTAL REPORT TO THE FIRST REPORT TO THE
COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS RECEIVER AND
MANAGER OF FLORENTINE FINANCIAL CORPORATION
AND A&H ASSET AUCTIONS INC.**

April 17, 2024



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

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INTRODUCTION

1. This supplemental report (“**Supplemental Report**”) is filed by Grant Thornton Limited (“**GTL**”) in its capacity as the receiver (the “**Receiver**”) over the property, assets and undertakings of Florentine Financial Corporation (“**Florentine**”) and A&H Asset Auctions Inc. (together with Florentine, the “**Debtors**”).
2. The Receiver filed its first report to the Court dated March 14, 2024 (the “**First Report**”) in support of the Receiver’s request for an Order that includes, among other things, authorizing the Receiver to enter into a real estate listing agreement for the sale of the property located at 80 Devon Road, Unit 3, Brampton, Ontario (the “**Devon Property**”).
3. In accordance with the Court’s e-service protocol, all materials filed with the Court in this matter are available on the Receiver’s case website at www.GrantThornton.ca/FlorentineFinancial.

DISCLAIMER

4. In preparing this Supplemental Report, the Receiver has reviewed certain unaudited financial information and certain financial information related to the Debtors. While the Receiver has performed a preliminary review of available books and records of the Debtors, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Auditing Standards (“**GAAS**”) or International Financial Reporting Standards (“**IFRS**”). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAS or IFRS with respect to such information.
5. This Supplemental Report has been prepared for the use of this Court as general information to assist the Court in making a determination of whether to approve the relief sought by the Receiver. Accordingly, the reader is cautioned that this Supplemental Report may not be appropriate for any other purpose.
6. All references to dollar amounts in this Supplemental Report are in Canadian currency, unless otherwise noted.

PURPOSE OF THIS SUPPLEMENTAL REPORT

7. The purpose of this Supplemental Report is to provide information to the Court which has arisen subsequent to the Receiver filing the First Report and to support the Receiver's motion for an order authorizing the Receiver to conduct necessary repairs to the roof of the Devon Property.
8. Capitalized terms not defined in this Supplemental Report shall have the meanings ascribed thereto in the First Report.

THE DEVON PROPERTY

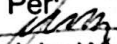
9. Paragraphs 13 and 18 of the First Report provide that the roof of the Devon Property had leaked for several years and that the Receiver had engaged with Peel Condominium Corporation #346 (the "**Condo Corporation**") to determine if an agreement could be reached whereby the roof of the Devon Property could be repaired on mutually-agreeable terms. After negotiation with the Condo Corporation as set out in the First Report, the Receiver concluded that a resolution was not possible and intended to list the Devon Property for sale in its current condition.
10. Recent rainfall has exposed the magnitude of the leaks and the Receiver believes that it is necessary to conduct immediate repairs in order to preserve both the Devon Property and the Debtors' assets located therein.
11. After filing the First Report, the Receiver advised the Condo Corporation that it wished to engage a roofing contractor to complete temporary repairs to the roof of the Devon Property in order to stop the continued leaking and preserve the property of the Debtors. A copy of the email sent to the Condo Corporation on April 16, 2024 is attached at **Appendix "1"**.
12. The Condo Corporation replied that it would not permit the Receiver to conduct any repairs to the roof as all work on common elements must be completed under the direction of the Condo Corporation and any temporary repairs will not be allowed by the Condo Corporation. A copy of the email received from the Condo Corporation on April 16, 2024 is attached at **Appendix "2"**.

13. The Receiver is unable to meet the demands made by the Condo Corporation, as further set out in the First Report. If no repairs are made to the roof imminently, both the Devon Property and the assets of the Debtors contained in the Devon Property are at risk of deterioration.
14. The Receiver therefore requests that the Court order the Condo Corporation to permit the Receiver to conduct temporary repairs to the roof of the Devon Property in order to preserve the Devon Property and the Debtor's assets contained in the Devon Property.

All of which is respectfully submitted.

GRANT THORNTON LIMITED

In its capacity as Court appointed Receiver of
Florentine Financial Corporation and A&H Asset Auctions Inc.
and not in its personal or corporate capacity

Per: 

Jake Wiebe, CPA, CA, CIRP, LIT

Senior Vice President

56801544.1

APPENDIX “1”

From: [Wiebe, Jake](#)
To: [Sunil Gupta](#); [Kononov, Roman](#)
Cc: [Bill Hristovski](#)
Subject: PCC346 Florentine
Date: April 16, 2024 10:55:22 AM

Sunil.

We would like to patch a few areas on the roof of unit 3 to temporarily stop the leaks. We are in the process of speaking with roofing contractors.

Do you have any objections to the Receiver making these repairs at our cost?

Jake Wiebe, CPA, CA, CIRP, LIT

Senior Vice President

Grant Thornton Limited

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E Jake.Wiebe@ca.gt.com | **W** <http://www.grantthornton.ca/>

APPENDIX “2”

From: Bill Hristovski
To: Wiebe, Jake; Sunil Gupta; Kyle Plunkett; Cristian Delfino; thogan@harrisonpensa.com; rdanter@harrisonpensa.com; Kononov, Roman
Subject: RE: PCC346 Florentine
Date: April 16, 2024 12:13:11 PM

CAUTION: EXTERNAL EMAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST
DO NOT ENTER YOUR GT PASSWORD ON ANY EXTERNAL EMAIL REQUEST

Jake,

All Repairs to the roof and common elements must be completed under the direction of PCC346.

We already have a Quilt work of patches over Unit 3 that is causing leaks to carry over into adjacent units.

As you are well aware PCC 346 has a directive from the City of Brampton to repair the roof and secure the integrity of the whole building.

In order to do this work safely and properly our engineer at Thornton Tomasetti has requested information to complete his structural report.

Your lack of cooperation to provide the Jakman Engineering information to our structural engineer will result in further delays to remedy the roof problem.

I urge you to allow PCC 346 and their contractors access to the interior of unit 3 so we may assess the extent of the leakage and schedule the proper repairs.

Temporary repairs that will simply defer the problem will not be allowed by PCC 346.

Regards,

Bill Hristovski

President

PCC 346

From: Wiebe, Jake <Jake.Wiebe@ca.gt.com>
Sent: April 16, 2024 11:43 AM
To: Sunil Gupta <SunilG@tulldev.com>; Kyle Plunkett <kplunkett@airdberlis.com>; Cristian Delfino <cdelfino@airdberlis.com>; thogan@harrisonpensa.com; rdanter@harrisonpensa.com; Kononov, Roman <Roman.Kononov@ca.gt.com>
Cc: Bill Hristovski <billh@tulldev.com>
Subject: RE: PCC346 Florentine

We understand that you are working with leak experts.

We are asking if you have any objections to our making repairs at our cost.

Jake Wiebe, CPA, CA, CIRP, LIT

Senior Vice President

Grant Thornton Limited

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E Jake.Wiebe@ca.gt.com | W <http://www.grantthornton.ca/>

From: Sunil Gupta <SunilG@tulldev.com>
Sent: Tuesday, April 16, 2024 11:09 AM
To: Wiebe, Jake <Jake.Wiebe@ca.gt.com>; Kyle Plunkett <kplunkett@airdberlis.com>; Cristian Delfino <cdelfino@airdberlis.com>; thogan@harrisonpensa.com; rdanter@harrisonpensa.com; Kononov, Roman <Roman.Kononov@ca.gt.com>
Cc: Bill Hristovski <billh@tulldev.com>
Subject: RE: PCC346 Florentine

CAUTION: EXTERNAL EMAIL. DO NOT CLICK ON LINKS OR OPEN ATTACHMENTS YOU DO NOT TRUST
DO NOT ENTER YOUR GT PASSWORD ON ANY EXTERNAL EMAIL REQUEST

Hi Jake,

As informed you earlier on April 12, 2024, email chain attached, PCC346 retained leak expert, work in progress.

Send us pictures of leaks in Unit 3 and provide access to Unit 3 to our leak expert.

We remind you that people approaching us due to no information on the door of Unit 3 about your contact info.

One more secured creditor Vouge Gems called me for help – your list show \$325,000 amount.

Update your mailing list on your website so that stake holders can get updates.

Thanks,

Sunil

From: Wiebe, Jake <Jake.Wiebe@ca.gt.com>
Sent: Tuesday, April 16, 2024 10:55 AM
To: Sunil Gupta <SunilG@tulldev.com>; Kononov, Roman <Roman.Kononov@ca.gt.com>
Cc: Bill Hristovski <billh@tulldev.com>
Subject: PCC346 Florentine

Sunil.

We would like to patch a few areas on the roof of unit 3 to temporarily stop the leaks. We are in the process of speaking with roofing contractors.

Do you have any objections to the Receiver making these repairs at our cost?

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