

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, C.C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF
SILVER STREAMS HOMES INC., SILVER STREAMS HOMES (PUCCINI) INC.,
2148993 ONTARIO INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC.
AND 2147650 ONTARIO INC.

RESPONDING MOTION RECORD

**BISCEGLIA & ASSOCIATES
PROFESSIONAL CORPORATION**

Barristers-at-Law
7941 Jane Street
Suite 200
Concord, Ontario
L4K 4L6
Tel: (905) 695-5200
Fax: (905) 695-5201

Emilio Bisceglia
Lawyers for the Lien Claimants, Argo
Lumber Inc. and Newmar Window
Manufacturing

TO: SERVICE LIST

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INC., 2148990 ONTARIO INC., 2147681 ONTARIO INC. AND 2147650 ONTARIO INC.**

SERVICE LIST

CHAITONS LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9 Harvey Chaiton Tel: (416) 218-1129 Fax: (416) 218-1866 Email: Harvey@chaitons.com Stephen Schwartz Tel: (416) 218-1132 Fax: (416) 218-1832 Email: Stephen@chaitons.com Maya Poliak Tel: (416) 218-1161 Fax: (416) 218-1844 Email: maya@chaitons.com Lawyers for the Applicants	GRANT THORNTON LIMITED Royal Bank Plaza 200 Bay Street, 19th Floor Toronto, ON M5J 2P9 Jonathan Krieger Tel: (416) 360-5055 Fax: (416) 360-4949 Email: jonathan.krieger@ca.gt.com Daniel Sobel Tel: (416) 369-7033 Fax: (416) 360-4949 Email: daniel.sobel@ca.gt.com Court-appointed Monitor
AIRD & BERLIS LLP Brookfield Place 181 Bay St, Suite 1800 Box 754 Toronto, ON M5J 2T9 Steven Graff Tel: (416) 865-7726 Fax: (416) 863-1515 Email: sgraff@airdberlis.com	LAW OFFICES OF JACK GREENBERG Barristers & Solicitors 181 Eglinton Avenue E., Suite 2014 Toronto, ON M4P 1J4 Jack Greenberg Tel: (416) 485-8833 Fax: (416) 485-3246 Email: jackgreenberg@greenberglawyers.ca

Ian Aversa Tel: (416) 865-3082 Fax: (416) 863-1515 Email: iaversa@airdberlis.com Lawyers for the Monitor	Lawyers for Castle Lane Design Group Inc., 53 Puccini Mortgage Corp., Puccini Mortgage Corp., Nastell Investments Limited, Dapaul Management Limited, 388242 Ontario Inc., Sandall Investments Limited, proposed DIP Lender
BERKOW, COHEN LLP 141 Adelaide Street West Suite 400 Toronto, ON M5H 3L5 Alexandra Lev-Farrell Tel: (416) 364-4900 x.205 Fax: (416) 364-3865 Email: alev-farrell@berkowcohen.com Scott Crocco Tel: (416) 364-4900 x.209 Fax: (416) 364-3865 Email: scrocco@berkowcohen.com Lawyers for The Corporation of The Town of Richmond Hill	KOSKIE MINSKY LLP 900-20 Queen St. West Toronto, Ontario, M5H 3R3 Jeffrey Long Tel: (416) 595-2125 Fax: (416) 204-2892 Email: jlong@kmlaw.ca Lawyers for Con-Drain Company (1983) Limited
KLEIN & ASSOCIATES PROFESSIONAL CORPORATION 390 Bay Street, Suite 1101 Toronto, ON M5H 2Y2 James Klein Tel: (416) 366-9494 Fax: (416) 366-9442 Email: jklein@kalaw.ca Lawyers for Pilbro III Inc., Medi Group Incorporated, Cardell Flooring Ltd., Foremont Drywall Inc., et. al., Canadian Concrete Forming Limited, Pave Plumbing & Heating Inc., E.D. Carpenters Limited, Solo Electric Ltd., 1865721 Ontario Inc., GM Exteriors Inc., Giancola Aluminum Contractors Inc.	PALLET VALO LLP Lawyers & Trade-Mark Agents 77 City Centre Drive, West Tower, Suite 300 Mississauga, ON L5B 1M5 Anna M. Esposito Tel: (905) 273-3300 Fax: (905) 273-6920 Email: aesposito@pallettvalo.com Maria Ruberto Tel: (905) 273-3022 Fax: (905) 273-6920 Email: (mruberto@pallettvalo.com Lawyers for Renova Recycling (2000) Inc. and Trudel & Sons Roofing
CAVALLUZZO SHILTON MCINTYRE	MACDONALD SAGER MANIS LLP

CORNISH LLP 474 Bathurst Street, Suite 300 Toronto, ON M5T 2S6 Carrie Clynick Tel: (416) 964-5515 Fax: (416) 964-5895 Email: cclynick@cavalluzzo.com Lawyers for Trustees of the Labourers' Union of North American Local 183 Members' Benefit Trust Fund	800-150 York St Toronto, ON M5H 3S5 Jeffrey Spiegelman Tel: (416) 364-4551 Fax: (416) 364-1453 Email: jsiegelman@msmlaw.ca Lawyers for Bank of Montreal
HARVEY MANDEL 203-55 Queen St. E. Toronto, ON M5C 1R6 Tel: (416) 364-7717 Ext: 302 Fax: (416) 364-4813 Email: harvey@harvey-mandel.com Lawyer for Foremost Mortgage Holding Corporation	BISCEGLIA & ASSOCIATES 7941 Jane Street, Suite 200 Concord, ON, L4K 4L6 Emilio Bisceglia Tel: (905) 695-3100 Fax: (905) 695-5201 Email: ebisceglia@lawtoronto.com Sonja Turajlich Tel: (905) 695-3424 Fax: (905) 695-5201 Email: sturajlich@lawtoronto.com Lawyers for Argo Lumber Inc. and Newmar Window Manufacturing Inc.
DRUDI ALEXIOU KUCHAR LLP 7050 Weston Road Suite 610 Vaughan, ON L4L 8G7 Marco Drudi Tel: (905) 850-6116 ext. 225 Fax: (905) 850-9146 Email: mdrudi@dakilp.com	CANADA REVENUE AGENCY c/o DEPARTMENT OF JUSTICE Ontario Regional Office The Exchange Tower, Box 36 130 King St. W., Suite 3400 Toronto, ON M5X 1K6 Diane Winters Tel : (416) 973-3172 Fax : (416) 973-0810 Email: diane.winters@justice.gc.ca Christopher Lee Tel: (416) 954-8247 Fax: (416) 973-0810

	Email: christopher.lee@justice.gc.ca
GOODMAN, SOLOMON & GOLD 439 University Avenue, Suite 1500 Toronto, ON, M5G 1Y8 David M. Goodman Tel: (416) 595-5555 Fax: (416) 595-7020 Email: dm@goodmansolomon.com Lawyers for King-Con Corporation	GOLDMAN SLOAN NASH & HABER LLP 480 University Avenue, Suite 1600 Toronto, ON M5G 1V2 Leonard Finegold Tel: (416) 597-3376 Fax: (416) 597-3370 Email: finegold@gsnh.com Lawyers for The Sanderson-Harold Company (Paris Kitchens)
RICHARD J. MAZAR PROFESSIONAL CORPORATION 115 King Avenue West Newcastle, ON L1B 1L3 Richard J. Mazar Email: rmazar@mazarlaw.com Lawyers for 669857 Ontario Inc. o/a Alma Mechanical	MINISTRY OF FINANCE (ONTARIO) Legal Services Branch 33 King Street West, 6 th Floor Oshawa, ON L1H 8H5 Attention: Kevin O'Hara, Senior Counsel Tel: (905) 433-6934 Fax: (905) 436-4510 E-Mail: Kevin.ohara@ontario.ca
GOWLING LAFLEUR HENDERSON LLP 1 First Canadian Place 100 King St. West, Suite 1600 Toronto, ON M5X 1G5 Calvin Ho Tel: (416) 862-5788 Fax: (416) 862-7661 Email: calvin.ho@gowlings.com Lawyers for Home Trust Company	MINDEN GROSS LLP 145 King Street West, Suite 2200 Toronto, ON M5H 4G2 Tim Dunn Tel: (416) 369-4335 Fax: (416) 864-9223 email: tdunn@mindengross.com Lawyers For Royal Bank of Canada
National Leasing Group Inc. 1525 Buffalo Place Winnipeg, MB R3T 1L9	NANDA & ASSOCIATES LAWYERS, P.C. 2980 Drew Road, Suite 228 Mississauga, ON L4T 0A7

	Sabrina Hussain Tel: (905) 364-3244 Fax: (905) 405-0119 Email: sabrina@nanda.ca Lawyers for Imran Javaid and Homelife/Miracle Realty Ltd. Brokerage
WALSH MCLUSKIE DOYLE Barristers & Solicitors 2535 Major Mackenzie Drive Suite 215 Maple, ON L6A 1C6 James Joseph Walsh, Q.C. Tel: (905) 832-2611 Fax: (905) 832-1499 Email: jjwalsh@wmdlawmaple.ca Lawyers for Canator Exterior Inc.	FLUXGOLD IZSAK JAEGER LLP 50 West Pearce Street, Suite 10 Richmond Hill, ON L4B 1C5 Lillana Ferreira Tel: (905) 763-3770 x.242 Fax: (905) 763-3772 Email: lferreira@fijlawlaw.com Lawyers for CMC Corporate Management Consulting

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TAB	DOCUMENT
1.	Affidavit of Zena Hanson
A.	Letter from Emilio Bisceglia to Ian Aversa dated April 1, 2015

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AFFIDAVIT OF ZENA HANSON

I, **ZENA HANSON**, of the City of Oshawa, in the Regional Municipality of Durham,
MAKE OATH AND SAY AS FOLLOWS:

1. I am Administration Manager for the lien claimants, Argo Lumber Inc. and Newmar Window Manufacturing Inc. ("Alpa"), and, as such, I have knowledge, information and belief of the matters to which I hereinafter depose. Where information is obtained from third parties, I verily believe it to be true.
2. I had an opportunity to review the Settlement Agreement made between various parties and identified as Exhibit "F" to the Affidavit of Imran Jinnah sworn March 25, 2015 ("Jinnah March/15 Affidavit").
3. I have also reviewed the original Affidavit of Imran Jinnah sworn on February 26, 2015 which is also attached as Exhibit "G" to the Jinnah March/15 Affidavit.
4. At issue on the Tarion Warranty Corporation ("Tarion") settlement is who is properly registered with Tarion; in particular, whether or not Silver Stream Homes (Puccini) Inc. ("Puccini") was a vendor registered under the Ontario New Home Warranties Plan Act (the "Act").

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5. In paragraphs 20 to 27 of the Jinnah March/15 Affidavit, Mr. Jinnah makes certain statements regarding letters of credit, deposits and which entities applied for registration under Tarion and his knowledge in this regard.
6. In order to properly respond and to consider whether or not Puccini was properly registered under the Act and Tarion, I instructed my lawyer to obtain copies of the disclosure in the prosecution. I would expect the disclosure to confirm:
 - (a) who was applying for registration;
 - (b) the letters and deposits provided;
 - (c) the financial position of the Applicants; and
 - (d) other necessary disclosure which would provide a reasonable basis to consider the settlement and provide an informed position to it.
7. While we were provided copies of the charges, all of the parties have refused to provide copies of the disclosure in the Tarion matter.
8. Tarion's counsel has responded by indicating that the documents are not normally open to the public; however, this is irrelevant. There is no doubt that Puccini would have copies of the documentation itself.
9. Given the refusal to provide the disclosure, I believe that the contents of the disclosure are not favourable to Puccini.
10. Under the circumstances, I am led to the conclusion that Tarion is seeking to obtain an improper preference with respect to the cash security of approximately \$1.24 million which has been posted with Tarion.
11. Further, I believe that the Monitor, Grant Thornton Limited ("Monitor"), ought to investigate this matter as part of its mandate to determine whether or not this security ought to form part of the CCAA Estate for distribution. Attached hereto and

marked as **Exhibit "A"** is a true copy of the letter of Emilio Bisceglia, counsel for Argo Lumber Inc. and Newmar Window Manufacturing Inc., to Ian Aversa, counsel for the Monitor, requesting that the Monitor investigate.

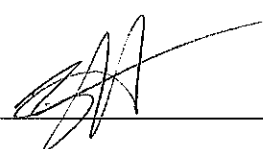
12. In considering all matters, I believe that the settlement should not be approved and that the security of the cash held by Tarion should be released to the CCAA Estate and distributed in accordance with further Court Orders.
13. I make this affidavit in opposition to the within settlement and for no other or improper purpose.

SWORN BEFORE ME in the City
of Vaughan, in the Regional
Municipality of York,
this ^{2nd} day of April, 2015

A Commissioner, etc.

SONJA TURASLICH

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ZENA HANSON

*This is **Exhibit "A"** referred
to in the Affidavit of **Zena Hanson**
sworn before me this 2nd
day of April, 2015*

A Commissioner for Taking Affidavits, etc.

SONJA TURAVLICH

BISCEGLIA & ASSOCIATES
PROFESSIONAL CORPORATION
BARRISTERS - AT - LAW

VIA FAX

April 1, 2015

Aird & Berlis LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street
Suite 1800, Box 754
Toronto, Ontario
M5J 2T9

Attention: Ian Aversa

Dear Sir:

RE: Argo Lumber Inc. vs. Silver Streams Homes (Puccini) Inc.
Court File No.: CV-13-116990-00

RE: Newmar Window vs. Silver Streams Homes (Puccini) Inc.
Court File No.: CV-13-116991-00

We have a copy of the Motion Record served by the Applicants in respect of the Motion returnable on April 23, 2015 for an Order declaring that the Applicants' have authority to enter into a settlement agreement with Tarion Warranty Corporation; or, in the alternative, approving the settlement agreement.

In our view, the Monitor ought to, as part of its mandate, investigate this matter to determine whether or not the security of cash held by Tarion should be released to the Estate and distributed in accordance with the CCAA proceeding.

We ask your client to reconsider its position in this regard. We look forward to hearing from you.

Yours very truly,

COPY

EMILIO BISCEGLIA
EB/lm

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PROCEEDING COMMENCED AT
TORONTO

RESPONDING MOTION RECORD

BISCEGLIA & ASSOCIATES
Professional Corporation

Barristers-at-law

7941 Jane Street, Suite 200

Concord, Ontario

L4K 4L6

Tel: (905) 695-5200

Fax: (905) 695-5201

Emilio Bisceglia

LSUC Registration No. 34568Q

Lawyer for Argo Lumber Inc. and

Newmar Window Manufacturing Inc.