

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Ontario Business Corporations Act, R.S.O., Chapter B-16

B E T W E E N:

ABBAS MOHAMMAD

Applicant

and

**STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.**

Respondents

**MOTION RECORD OF ALBERT GELMAN INC.,
in its capacity as court-appointed Liquidator of 2497486 Ontario Ltd.
(Motion Returnable February 8, 2021)
(Approval of Activities and Fees)**

Date: February 1, 2021

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Ontario Business Corporations Act, R.S.O., Chapter B-16

B E T W E E N:

ABBAS MOHAMMAD

Applicant

and

**STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.**

Respondents

**NOTICE OF MOTION
(motion returnable February 8, 2021)
(Approval of Activities and Fees)**

ALBERT GELMAN INC., in its capacity as court-appointed liquidator (the “**Liquidator**”) of 2497486 Ontario Ltd. (the “**Company**”), will make a motion before a Judge presiding over the Commercial List on the 8th day of February at 12:30 p.m. by Zoom videoconference, due to the COVID-19 pandemic.

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

THE MOTION IS FOR AN ORDER:

1. Approving the Third Report of the Liquidator dated February 1, 2021 (the “**Third Report**”), as well as the actions and activities of the Liquidator described therein, including the interim statement of receipts and disbursements of the Liquidator as at January 25, 2021;

- a. Approving the fees and disbursements of the Liquidator for the period September 20, 2018 to January 24, 2021;
- b. Approving the fees of disbursements of the Liquidator’s former counsel, Kronis, Rotsztain, Margles, Cappel LLP (“**KRMC**”) for the period October 1, 2018 to October 30, 2018;
- c. Approving the fees and disbursements of the Liquidator’s counsel, WeirFoulds LLP (“**WeirFoulds**”) for the period December 18, 2018 to December 24, 2020; and,
- d. Such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. On June 20, 2017, by Order of the Honourable Madam Justice Conway (the “**Appointment Order**”), Albert Gelman Inc. was appointed as Liquidator without security, of all of the assets, undertakings and properties of 2497486 Ontario Ltd. (the “**Company**”) pursuant to section 207 and 210 of the *Business Corporations Act*, R.S.O., 1990, c. B-16, as amended (the “**Act**”);
2. Pursuant to the Appointment Order, the Liquidator entered into an agreement of purchase and sale for the principal asset of the Company, being certain real property (the “**Property**”);
3. On October 30, 2017, the Honourable Justice Hainey authorized and directed that the Liquidator implement a process for soliciting, approving and barring claims against the Company (the “**Claims Solicitation and Bar Order**”);

4. Pursuant to the Claims Solicitation and Bar Order, the Liquidator approved and paid the amounts in respect of all claims received, leaving certain amounts to be distributed to the Parties;
5. On October 29, 2018, the Honourable Justice Hainey authorized and directed that the Liquidator implement a process for soliciting, approving and barring non-arms' length claims against the Company, and as between the Parties, if any (the "**Non-Arms' Length Claims Procedure and Bar Order**");
6. On January 3, 2019, the Liquidator received a proof of claim on behalf of Abbas Mohammad;
7. On January 28, 2019, the Liquidator received the proofs of claim on behalf of Mustafa Ismael and Stephen Celestial;
8. Between January 30, 2019 and April 12, 2019, the Liquidator received additional documents and information from the Parties in respect of their proofs of claim;
9. The Liquidator reviewed the claims of the Parties, and identified certain items that were in dispute as between the Parties, and attempted to resolve these amounts in dispute through discussions;
10. On March 27, 2020, the Liquidator issued its Notice of Determination to the Parties and delivered its Notice of Determination to the Parties on March 30, 2020 in accordance with the Non-Arms' Length Claims Procedure and Bar Order;

11. No Party delivered a Notice of Dispute within the time permitted by the Non-Arms' Length Claims Procedure and Bar Order and as a result, the values of the Parties' respective claims set out in Notice of Determination are final and binding.

12. As part of its mandate, the Liquidator engaged external accountants to prepare the Company's financial statements and tax filings for the years ending in December 31, 2018, 2019 and 2020, and to obtain a certificate from the Canada Revenue Agency confirming that no amounts are owing by the Company to the CRA;

13. The Liquidator advised the Parties of the potential for the Company to issue a capital dividend to the Parties on a tax-free basis, to which the Parties ultimately agreed;

14. The Liquidator is continuing to undertake the necessary activities to issue a capital dividend, obtain the necessary clearance certificate, distribute the remaining funds to the Parties in accordance with the Notice of Determination, apply to the Court at the appropriate time for an order dissolving the Company and discharging the Liquidator;

15. The Third Report of the Liquidator fairly and accurately reflects the activities of the Liquidator in implementing and administering the process established by the Non-Arms' Length Claims Procedure and Bar Order, and continuing its mandate to wind-down and dissolve the Company;

16. The services and fees set out in the fee affidavits of the Liquidator, KRMC and WeirFoulds are fair and reasonable in the context in which they were rendered and were necessary to the progress of these proceedings;

17. Sections 209, 221(1), 223(1) and 229 of the Act;

18. Rules 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure*; and,
19. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used:

1. the Third Report of Albert Gelman Inc. in its capacity as court-appointed liquidator; and
2. such further and other evidence as the lawyers may advise and this Honourable Court may permit.

Date: February 1, 2021

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Lawyers for Albert Gelman Inc., in its
capacity as court-appointed Liquidator of
2497486 Ontario Ltd.

TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Ontario Business Corporations Act, R.S.O., Chapter B-16

ABBAS MOHAMMAD

Applicant

- and -

STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.

Respondents

THIRD REPORT OF ALBERT GELMAN INC.
in its capacity as court-appointed liquidator

(Dated February 1, 2021)

I. INTRODUCTION

1. This third report ("**Third Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as liquidator (the "**Liquidator**") appointed pursuant to the Order of the Honourable Justice Conway of the Ontario Superior Court of Justice, Commercial List, dated June 20, 2017 (the "**Appointment Order**"), without security, over all of the assets, undertakings and properties (the "**Property**") of 2497486 Ontario Inc. ("**2497486**" or the "**Company**"). The application was commenced by Abbas Mohammad. A copy of the Appointment Order along with the endorsement of Justice Conway dated June 20, 2017 is attached hereto as **Appendix "A"**.

2. Prior to the date of the Appointment Order the Liquidator (in its capacity as Proposed Liquidator at that time) prepared a report in respect of these proceedings (the "**Pre-Filing Report**"). The Pre-Filing Report contained, among other things, details

regarding the principal asset of the Company being the real property municipally known as 1028 Bloor Street West, Toronto (the “**Real Property**”) as well as details regarding the proposed sales process. A copy of the Pre-Filing Report (without appendices) is attached hereto as **Appendix “B”**.

3. The Appointment Order at paragraph 4.A. included approval of the Liquidator to enter into a listing agreement with a commercial realtor for the purposes of realizing on the Real Property.

4. In accordance with the Appointment Order, the Liquidator entered into an agreement of purchase and sale with Modern City Real Estate Investment Trust Company Ltd.¹ (the “**Purchaser**”) dated August 31, 2017 and executed by the Liquidator on September 2, 2017, including an Amendment to Agreement of Purchase and Sale executed on September 12, 2017 (collectively, the “**Purchase Agreement**”) which contemplated the sale to the Purchaser of the Real Property (the “**Transaction**”). Attached hereto as **Appendix “C”** is a copy of the Purchase Agreement.

5. On October 30, 2017 the Honourable Justice Hainey granted an order (the “**Approval and Vesting Order**”) approving, among other things, the Transaction and vesting the Company’s right, title and interest in and to the Real Property in the Purchaser free and clear of any and all encumbrances. Attached hereto as **Appendix “D”** is a copy of the Approval and Vesting Order.

6. The Liquidator prepared a report in respect of the October 30, 2017 motion dated October 18, 2017 (the “**First Report**”), as well as a confidential report dated October 18, 2017 (the “**Confidential Report**”). Attached hereto as **Appendices “E”** and “**F**” are copies of the First Report and Confidential Report, without appendices, respectively. In accordance with the Approval and Vesting Order, the Court ordered that the Confidential Report remain sealed until completion of the Transaction. The Transaction was

¹ The Agreement of Purchase and Sale was initially entered into with Elia Mazzawi, in trust as purchaser.

completed on November 24, 2017 and the Liquidator served and filed the Liquidator's Certificate pursuant to the Approval and Vesting Order on the same day.

7. In its First Report the Liquidator proposed a Claims Solicitation Process for the purposes of identifying any and all arm's length creditors with claims against 2497486 which arose prior to the Claims Bar Date, being January 19, 2018. On October 30, 2017 the Honourable Justice Hailey granted an order (the "**Claims Solicitation Procedure and Bar Order**") approving, among other things, the Claims Solicitation Process. Attached hereto as **Appendix "G"** is a copy of the Claims Solicitation Procedure and Bar Order.

8. In accordance with the Claims Solicitation Procedure and Bar Order the Liquidator undertook and completed the Claims Solicitation Process. The Liquidator prepared a report dated October 23, 2018 (the "**Second Report**") summarizing the Claims Solicitation Process and the claims received pursuant thereto. Attached hereto as **Appendix "H"** is a copy of the Second Report, without appendices.

9. On October 29, 2018, the Liquidator brought a motion before for certain relief, and the Honourable Justice Hailey granted an order (the "**Non-Arm's Length Claims Solicitation Process Order**") approving the Non-Arm's Length Claims Solicitation Process. The Non-Arm's Length Claims Solicitation Process is set out in detail in the Second Report. Attached hereto as **Appendix "I"** is a copy of the Non-Arm's Length Claims Solicitation Process Order.

10. On October 29, 2018 the Honourable Justice Hailey also granted an order approving, among other things, the fees and activities of the Liquidator and its legal counsel. Attached hereto as **Appendix "J"** is a copy of this Order as well as the Endorsement of Justice Hailey dated the same date.

11. This Third Report has been prepared in respect of the Liquidator's motion returnable February 8, 2021.

II. PURPOSE OF THIS REPORT

12. The purpose of this Third Report is to:
- a. provide details to the Court of the Liquidator's actions and activities subsequent to the date of the Second Report;
 - b. provide the Court with an update with respect to the Liquidator's undertaking of the Non-Arm's Length Claims Solicitation Process including providing copies of the Claims, correspondence with the Parties (defined below) legal counsel and other documents received by the Liquidator in respect of same;
 - c. seek an order:
 - i. approving this Third Report as well as the actions and activities of the Liquidator described herein, including the Liquidator's interim statement of receipts and disbursements as of January 25, 2021 (the "**Interim SRD**");
 - ii. approving the fees and disbursements of the Liquidator for the period from September 20, 2018 to January 24, 2021;
 - iii. approving the fees and disbursements of the Liquidator's counsel, Kronis, Rotsztain, Margles, Cappel LLP ("**KRMC**"), for the period from October 1, 2018 to October 30, 2018
 - iv. approving the fees and disbursements of the Liquidator's counsel, WeirFoulds LLP, for the period from December 18, 2018 to December 24, 2020
 - v. providing for such further and other relief as this Honourable Court may deem just.

III. SCOPE, RESTRICTIONS AND TERMS OF REFERENCE

13. In preparing this Third Report, the Liquidator has obtained and relied upon certain unaudited financial information of 2497486, 2497486's books and records, and discussions with both counsel for the Applicant, Mr. Robert Macdonald and Mr. Justin Jakubiak, and counsel for the Respondents (excluding the Company), Mr. Ryan Hanna, as well as with two of the shareholders of 2497486, Mr. Stephen Celestial and Mr. Mustafa Ismael directly, and with 2497486's external accountant, Mr. Errol Chapman.

14. While the Liquidator has reviewed the various documents provided, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Liquidator expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

15. This report has been prepared for the use of this Court to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this report may not be appropriate for any other purpose. The Liquidator will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

16. Unless otherwise noted, all monetary amounts referenced herein are expressed in Canadian dollars.

17. Terms not otherwise defined herein shall have the meanings ascribed to them in the First Report, Second Report and draft form of Court Order included with the Liquidator's Motion Record for the motion returnable February 8, 2021.

IV. BACKGROUND INFORMATION

18. 2497486 is a corporation incorporated under the laws of the province of Ontario.

19. The common shares of 2497486 are owned by Abbas Mohammad (50%), Stephen Celestial (25%) and Mustafa Ismael (25%) (the “Parties” or, individually, a “Party”).

20. Based on information set out in a corporation profile report obtained by the Liquidator dated September 10, 2018, the Shareholders are also the directors of 2497486.

21. The Liquidator understands that the Shareholders are divided with Abbas Mohammad on one side, and Stephen Celestial and Mustafa Ismael on the other, resulting in a deadlock situation. The appointment of the Liquidator was on consent of both the Applicant and the Respondents.

22. As was noted above, prior to the appointment of the Liquidator the principal asset of 2497486 was the Real Property which it managed. The Real Property consisted of a three-story building with a commercial unit on the first floor and separate residential units on each of the second and third floors.

23. The Real Property was sold by the Liquidator and the Transaction closed on November 24, 2017 in accordance with the Approval and Vesting Order.

V. ACTIONS AND ACTIVITIES OF THE LIQUIDATOR

24. The actions and activities of the Liquidator since the date of the Second Report, and as reflected in the Interim SRD, are, *inter alia*, as follows:

- a. Undertook the Non-Arm’s Length Claims Solicitation Process, as further described below, and, ultimately, issued its Notice of Determination to the Parties on March 27, 2020 in accordance with the Non-Arm’s Length Claims Solicitation Process Order.
- b. Engaged the Company’s external accountant, Errol Chapman of Errol Chapman Professional Corporation (“**ECPC**”), to prepare the Company’s financial statements and tax filings for the years ended December 31, 2018 and 2019;

- c. Engaged the accounting firm VC Partners LLP (“**VC**”) to: (a) prepare the Company’s financial statements and tax filings for the year ended December 31, 2020; and, (b) assist the Liquidator in obtaining a certificate from the Canada Revenue Agency (“**CRA**”) confirming that no amounts are owing by the Company to the CRA, which certificate is commonly referred to as a ‘Clearance Certificate’; and,
- d. Investigated the potential for the Company to issue a Capital Dividend (defined below) to the Parties on a tax-free basis and had discussions regarding same with counsel to each Party. This is described in more detail below.

VI. CLAIMS SOLICITATION PROCESS - NON-ARM’S LENGTH CREDITORS

25. The Liquidator has undertaken the Non-Arms’ Length Claims Solicitation Process and its activities in respect of same are set out below.

- a. On December 20, 2018 the Liquidator, through its counsel, extended the timeframe for the Parties to file proofs of claim from December 28, 2018 to January 28, 2019. Each Party consented.
- b. On January 3, 2019 the Liquidator received a proof of claim from Abbas Mohammad (the “**Mohammad Claim**”). The Mohammad Claim is attached hereto as **Appendix “K”**.
- c. On December 17, 2018 the Liquidator received a request for copies of bank statements from inception to the date of the Appointment Order from Mr. Ryan Hanna (legal counsel to Mustafa Ismael and Stephen Celestial). The Liquidator requested copies of these bank statements from representatives of the Canadian Imperial Bank of Commerce which it received on January 18, 2019. The Liquidator provided copies of these bank statements to both Mr. Hanna and Mr. Robert MacDonald (legal counsel to Abbas Mohammad) the same day.

- d. On January 28, 2019 the Liquidator received a proof of claim from Mustafa Ismael (the “**Ismael Claim**”). The Ismael Claim is attached hereto as **Appendix “L”**.
- e. On January 28, 2019 the Liquidator received a proof of claim from Stephen Celestial (the “**Celestial Claim**”). The Celestial Claim is attached hereto as **Appendix “M”**.
- f. On January 30, 2019 the Liquidator, through its counsel, received a supplementary letter from Mr. Hanna (the “**Hanna Supplementary Letter**”) which was prepared to “provide some additional background information” with respect to the Mohammad Claim. Attached hereto as **Appendix “N”** is a copy of the Hanna Supplementary Letter.
- g. On February 20, 2019 the Liquidator, through its counsel, received a supplementary letter from Mr. MacDonald as well as affidavits sworn by Nicolas Spingos and Angelos Spingos (the “**MacDonald Supplementary Documents**”) in response to the Hanna Supplementary Letter. Attached hereto as **Appendix “O”** are the MacDonald Supplementary Documents.
- h. The Liquidator is not summarizing the contents of each of the Hanna Supplementary Letter or the MacDonald Supplementary Documents given, as will be discussed below, that all disputes as between each of the Parties’ claims were eventually settled to the satisfaction of each Party.
- i. On February 26, 2019 the Liquidator, through its counsel, wrote to both Mr. Hanna and Mr. Macdonald requesting additional information with respect to the claims submitted by their respective clients. Attached hereto as **Appendix “P”** are copies of the email correspondence to both Mr. Hanna and Mr. Macdonald.
- j. On March 8, 2019 the Liquidator, through its counsel, received a letter from Mr. Hanna responding to its February 26, 2019 request for additional information. Attached hereto as **Appendix “Q”** is a copy of the letter.

- k. On April 12, 2019 the Liquidator, through its counsel, received a letter from Mr. Macdonald responding to its February 26, 2019 request for additional information. Attached hereto as **Appendix “R”** is a copy of the letter.
- l. The Liquidator reviewed the claim of each Party as well as the supplementary material provided by both Mr. Hanna and Mr. Macdonald and communicated to both counsel what it believed were the items of each claim which were in dispute.
- m. On July 8, 2019 the Liquidator, through its counsel, received a letter from Mr. Macdonald addressing the Liquidator’s “proposal for resolving this matter”. Attached hereto as **Appendix “S”** is a copy of the letter.
- n. Following the July 8, 2019 letter from Mr. Macdonald, the Liquidator had numerous discussions, through its counsel, with both Mr. Hanna and Mr. Macdonald in an effort to resolve the disputed amounts included in each Party’s claim, or to agree upon a process to determine the dispute.
- o. On January 10, 2020, the Liquidator, through its counsel, received confirmation from Mr. Hanna that each Party’s shareholder loan claim was agreed to as between the Parties and, therefore, the only disputed claim was Abbas Mohammad’s inter-shareholder claim as against Mustafa Ismael in the amount of \$61,464 (the “**Inter-Shareholder Claim**”). Attached hereto as **Appendix “T”** is the email correspondence from Mr. Hanna.
- p. On January 17, 2020, the Liquidator, through its counsel, sent correspondence to both Mr. Hanna and Mr. Justin Jakubiak (now acting legal counsel for Mr. Abbas) to confirm its understanding that only the Inter-Creditor Claim was now in dispute. Both Mr. Hanna and Mr. Jakubiak subsequently confirmed that only the Inter-Shareholder Claim was in dispute. Attached hereto as **Appendix “U”** is the email correspondence sent to both Mr. Hanna and Mr. Jakubiak from the Liquidators counsel, together with emails from Mr. Hanna and Mr. Jakubiak confirming same.

- q. In accordance with paragraph 5 of the Non-Arm’s Length Claims Solicitation Process Order the Liquidator reviewed and determined the Inter-Shareholder Claim. On March 27, 2020, pursuant to paragraph 7 of the Non-Arm’s Length Claims Solicitation Order the Liquidator issued its Notice of Determination and provided a copy of same to Mr. Hanna and Mr. Jakubiak on March 30, 2020. Attached hereto as **Appendix “V”** is a copy of the Liquidator’s Notice of Determination.
- r. The Notice of Determination sets out the Claims of each Party as follows:

Type of Claim	Abbas Mohammad	Stephen Celestial	Mustafa Ismael
Shareholder loans	\$ 229,316.00	\$ 105,000.00	\$ 105,000.00
Other claims (if any)	n/a	n/a	n/a
Inter-shareholder Claim	Nil	n/a	n/a
Equity claims	[50% of balance]	[25% of balance]	[25% of balance]

- s. As noted above, the shareholder loan claim of each Party was agreed to by each other Party. Therefore, the only claim for which the Liquidator was required to make a determination was the Inter-Shareholder Claim (claimed by Abbas Mohammad against Mustafa Ismael). The Liquidator disallowed the Inter-Shareholder Claim in full for the reasons set out in the Notice of Determination.
- t. Pursuant to paragraph 8 of the Non-Arm’s Length Claims Solicitation Process Order “any Party that objects to the Notice of Determination, shall deliver to the Liquidator a Notice of Dispute within 30 days of receipt of the Notice of Determination, or, if no Party delivers a Notice of Dispute within such time, the value of such Parties’ respective Claims shall be deemed to be final and binding as set out in the Notice of Determination”. The Liquidator did not receive a Notice of Dispute from any Party within the prescribed time period or thereafter.

26. The Liquidator notes that its discussion above regarding the Non-Arms’ Length Claims Solicitation Process is a summary of how the process was undertaken and does

not include all communications with the Parties' legal counsel. In the Liquidator's opinion a complete detailed account of all communication with counsel is not practical in the circumstances and is not relevant to the Court with respect to the relief being sought by the Liquidator.

VII. CANADA REVENUE AGENCY - CLEARANCE CERTIFICATE

27. On March 30, 2020 the Liquidator, through its counsel, advised both Mr. Hanna and Mr. Jakubiak that, in accordance with paragraph 11 of the Non-Arm's Length Claims Solicitation Process Order, it will not make any distribution of funds to any Party until and unless it has received the Clearance Certificate from CRA.

28. As noted earlier in this Third Report, the Liquidator has retained VC to assist it with, among other things, obtaining a Clearance Certificate from CRA confirming that no amounts are owing by the Company to the CRA.

29. As part of the process of completing its final tax return, obtaining a Clearance Certificate, and distributing the remaining funds in the Liquidator's trust bank account to the Parties, VC advised the Liquidator that, if applied for and administered properly, the Company may be able to distribute funds to the Parties as a "capital dividend" on a tax-free basis (the "**Capital Dividend**") resulting in, potentially, significant income tax saving to each of the Parties.

30. On April 29, 2020 the Liquidator advised Mr. Hanna and Mr. Jakubiak of the opportunity for the Company to issue a Capital Dividend to each Party and how the process of doing so would affect the ultimate timing of a distribution to each of the Parties.

31. On May 28, 2020 Mr. Hanna advised the Liquidator that both Mustafa Ismael and Stephen Celestial would like to proceed with the issuance of a Capital Dividend. On June 1, 2020, Mr. Jakubiak advised the Liquidator that Abbas Mohammad opposed the process of issuing a Capital Dividend.

32. On June 30, 2020 VC wrote to the CRA to request confirmation of the Company's Capital Dividend balance. Attached hereto as **Appendix "W"** is a letter from the CRA dated September 9, 2020 confirming the Capital Dividend balance of \$306,528.

33. Over the period of several months there was continuous communication and discussions between counsel to each Party and the Liquidator with respect to this matter. On December 24, 2020 Mr. Jakubiak advised the Liquidator that Abbas Mohammad was agreeable with proceeding with the issuance of a Capital Dividend as well.

VIII. FINAL ACTIVITIES OF THE LIQUIDATOR

34. In order to complete its mandate, the Liquidator intends to, *inter alia*, do the following:

- a. Undertake the necessary activities so that the Company is in the position to issue a Capital Dividend;
- b. Retain VC to prepare the Company's final corporate tax filings and commence the process for obtaining a "clearance certificate" from the CRA;
- c. After receipt of the 'clearance certificate' distribute the remaining funds in the Liquidators trust bank account, net of the estimated fees and disbursements of the Liquidator to complete its mandate, in accordance with the Notice of Determination;
- d. Apply to this Honourable Court at a later date for an Order dissolving the Company pursuant to section 218 of the *Business Corporations Act* (Ontario) and discharging the Liquidator;
- e. Address storage of certain books and records of the Company which are required to be maintained by the Liquidator and destruction of those books and records of the Company not required to be maintained by the Liquidator; and,

- f. Undertake such other administrative activities as are required to complete its mandate.

IX. LIQUIDATORS LEGAL COUNSEL

35. The principal lawyer at KRMC who was assisting the Liquidator with its mandate, Mr. Philip Cho, moved his practice to WeirFoulds LLP effective on December 10, 2018. As a result, the Liquidator retained WeirFoulds LLP which replaced KRMC as its legal counsel.

X. LIQUIDATOR'S INTERIM SRD

36. Attached hereto at **Appendix "X"** is the Liquidator's Interim SRD.

XI. ACCOUNTS OF THE LIQUIDATOR AND ITS COUNSEL

37. Attached hereto as **Appendix "Y"** is the Affidavit of Tom McElroy regarding the Liquidator's fees for the period from September 20, 2018 to January 24, 2021 accompanied by the supporting time dockets (the "**Liquidator's Fees**").

38. Attached hereto as **Appendix "Z"** is the Affidavit of Onofrio Ferlisi regarding the fees and disbursements of KRMC for the period from October 1, 2018 to October 30, 2018 accompanied by the supporting time dockets.

39. Attached hereto as **Appendix "AA"** is the Affidavit of Philip Cho regarding the fees and disbursements of WeirFoulds LLP for the period from December 18, 2018 to December 24, 2020 accompanied by the supporting time dockets.

40. The Liquidator believes that its fees and disbursements, as well as the fees and disbursements of its counsel, KRMC and WeirFoulds LLP, are fair and reasonable.

XII. LIQUIDATOR'S REQUEST FOR APPROVAL

41. The Liquidator respectfully requests an Order of this Honourable Court:

- a. approving this Third Report of the Liquidator, as well as the actions and activities of the Liquidator described herein, including the Interim SRD;

- b. approving the fees and disbursements of the Liquidator for the period from September 21, 2018 to January 24, 2021;
- c. approving the fees and disbursements of KRMC for the period from October 1, 2018 to October 30, 2018
- d. approving the fees and disbursements of WeirFoulds LLP for the period from December 18, 2018 to December 24, 2020 and,
- e. providing for such further and other relief as this Honourable Court may deem just.

All of which is respectfully submitted this 1st day of February 2021

**ALBERT GELMAN INC., solely in its
capacity as the Court-Appointed Liquidator
of 2497486 Ontario Ltd. and not in its
Personal or any other Capacity**

Per:



Tom McElroy, CPA, CA, CBV, CIRP, LIT

APPENDIX A



Court File No. CV-17-11740-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Ontario Business Corporations Act, R.S.O., Chapter B-16

THE HONOURABLE MADAM

)

TUESDAY, THE 20TH

JUSTICE CONWAY

)

DAY OF JUNE, 2017

)

ABBAS MOHAMMAD

Applicant

- and -

**STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.**

Respondents

ORDER

(appointing Liquidator and approving sale process)

THIS MOTION made by the Applicant for an Order pursuant to section 207 and 210 of the *Business Corporations Act*, R.S.O., 1990, c. B-16, as amended (the "BCA") appointing Albert Gelman Inc. as liquidator (in such capacities, the "**Liquidator**") without security, of all of the assets, undertakings and properties of 2497486 Ontario Inc. (the "**Company**") acquired for, or used in relation to a business carried on by the Company, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Nima Baratzadeh sworn June 16, 2017 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Respondents, and on reading the consent of AGI to act as the Liquidator, and on being advised that the parties consent to the relief sought,

SERVICE

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

WINDING UP AND APPOINTMENT

2. THIS COURT ORDERS that, pursuant to section 207(b)(iii) and (iv) of the BCA, the Company be wound up.

3. THIS COURT ORDERS that pursuant to section 210 of the BCA, AGI is hereby appointed Liquidator, without security, of all of the assets, undertakings and properties of the Company acquired for, or used in relation to a business carried on by the Company, including all proceeds thereof (the "**Property**").

LIQUIDATOR'S POWERS

4. THIS COURT ORDERS that in addition to all powers provided to the Liquidator pursuant to Part XVI of the BCA, the Liquidator 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 Liquidator is hereby expressly empowered and authorized to do any of the following where the Liquidator considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Company, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Company;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Liquidator's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Company or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Company and to exercise all remedies of the Company in collecting such monies, including, without limitation, to enforce any security held by the Company;
- (g) to settle, extend or compromise any indebtedness owing to the Company;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Liquidator's name or in the name and on behalf of the Company, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Company, the Property or the Liquidator, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Liquidator in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$5,000.00, provided that the aggregate consideration for all such transactions does not exceed \$50,000.00; 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;
- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Liquidator deems appropriate on all matters relating to the Property, and to share information, subject to such terms as to confidentiality as the Liquidator deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) 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 Liquidator, in the name of the Company;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Company, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Company;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Company may have; and
- (r) to apply to the court for an order dissolving the Company;
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Liquidator takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Company, and without interference from any other Person.

PK ✓ 43.A. ✓ THIS COURT ORDERS that, without limiting any of the powers set out in paragraph 3 of this Order, the Liquidator is authorized and directed to enter into a standard listing agreement with a duly licensed commercial real estate agent (the “**Realtor**”) for the purpose of listing, marketing and selling the property, municipally known as 1028 Bloor Street West, Toronto, Ontario (the “**Real Property**”), and may, if deemed advisable by the Liquidator in consultation with the Realtor, take such actions or steps as may be required to lease any unit in the Real Property before listing the Real Property for sale, and is hereby authorized to do so.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

5. THIS COURT ORDERS that (i) the Company, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Liquidator of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Liquidator, and shall deliver all such Property to the Liquidator upon the Liquidator's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Liquidator of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, 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 Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph ^{2 ✓ 5 ✓} or in paragraph ^{✓ 7 ✓ BC} 6 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 Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. 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 Liquidator for the purpose of allowing the Liquidator 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 Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidator. Further, for the purposes of this paragraph, all Persons shall provide the Liquidator with all such assistance in gaining immediate access to the information in the Records as the Liquidator may in its discretion require including providing the Liquidator with instructions on the use of any computer or other system and providing the Liquidator with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. THIS COURT ORDERS that the Liquidator shall provide each of the relevant landlords with notice of the Liquidator's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Liquidator's entitlement to remove any such fixture under the provisions of

the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Liquidator, or by further Order of this Court upon application by the Liquidator on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE LIQUIDATOR

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Liquidator except with the written consent of the Liquidator or with leave of this Court.

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Company or the Property shall be commenced or continued except with the written consent of the Liquidator or with leave of this Court and any and all Proceedings currently under way against or in respect of the Company or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Company, the Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the Liquidator or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"), and further provided that nothing in this paragraph shall (i) empower the Liquidator or the Company to carry on any business which the Company is not lawfully entitled to carry on, (ii) exempt the Liquidator or the Company from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE LIQUIDATOR

12. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement,

licence or permit in favour of or held by the Company, without written consent of the Liquidator or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Company 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 Liquidator, and that the Liquidator shall be entitled to the continued use of the Company'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 Liquidator in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

LIQUIDATOR TO HOLD FUNDS

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Liquidator 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 Liquidator (the "**Post Liquidation Accounts**") and the monies standing to the credit of such Post Liquidation Accounts from time to time, net of any disbursements provided for herein, shall be held by the Liquidator to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Company shall remain the employees of the Company until such time as the Liquidator, on the Company's behalf, may terminate the employment of such employees. The Liquidator 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 Liquidator may specifically agree in writing to pay.

PIPEDA

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Liquidator 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 Liquidator, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Company, and shall return all other personal information to the Liquidator, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Liquidator 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 Liquidator from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Liquidator shall not, as a result of this Order or anything done

in pursuance of the Liquidator'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 LIQUIDATOR'S LIABILITY

18. THIS COURT ORDERS that the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by Part XVI of the BCA or by any other applicable legislation.

LIQUIDATOR'S ACCOUNTS

19. THIS COURT ORDERS that the Liquidator and counsel to the Liquidator shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Liquidator and counsel to the Liquidator shall be entitled to and are hereby granted a charge (the "**Liquidator'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 Liquidator's Charge shall form a charge on the Property.

20. THIS COURT ORDERS that the Liquidator and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Liquidator and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Liquidator shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Liquidator or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE LIQUIDATION

22. THIS COURT ORDERS that the Liquidator be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Liquidator by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Liquidator's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon.

23. THIS COURT ORDERS that neither the Liquidator's Borrowings Charge nor any other security granted by the Liquidator in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Liquidator is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Liquidator's Certificates**") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Liquidator pursuant to this Order or any further order of this Court and any and all Liquidator's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Liquidator's Certificates.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to

Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.albertgelman.com/corporate-solutions/insolvency-engagements/>'.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Liquidator is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Company's creditors or other interested parties at their respective addresses as last shown on the records of the Company and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. THIS COURT ORDERS that the Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. THIS COURT ORDERS that nothing in this Order shall prevent the Liquidator from acting as a trustee in bankruptcy of the Company.

30. 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 Liquidator 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.

31. THIS COURT ORDERS that the Liquidator 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 Liquidator 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.

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



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

JUN 20 2017

PER/PAR: Joanne Nicolle

SCHEDULE "A"

LIQUIDATOR CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Albert Gelman Inc., the liquidator (the "**Liquidator**") of the assets, undertakings and properties 2497486 Ontario Inc. (the "**Company**") acquired for, or used in relation to a business carried on by the Company, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ___ day of _____, 20__ (the "**Order**") made in an action having Court file number CV-17-11740-00CL, has received as such Liquidator from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Liquidator is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Liquidator pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, subject to the priority of the charges set out in the Order, and the right of the Liquidator to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Liquidator to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Liquidator to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Liquidator does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 20__.

Albert Gelman Inc., solely in its capacity
as Liquidator of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

**Abbas Mohammad
Applicant**

**-and- Stephen Celestial, et al
Respondents**

Court File No. CV-17-11740-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDING COMMENCED AT
TORONTO

ORDER
(APPOINTING LIQUIDATOR AND
APPROVING SALE PROCESS)

LANDY MARR KATS LLP
2 Sheppard Avenue East, Suite 900
Toronto ON M2N 5Y7

David Fogel (58572A)
Tel: (416) 221-9343
Fax: (416) 221-8928

Lawyers for the Applicant

COUNSEL SLIP (COMMERCIAL MOTIONS)

C

No On List: 10
Court File No CV-17-11740-000 DATE: 20-JUN-2017
Title of Proceeding: MOHAMMED, A.

COUNSEL FOR
Plaintiff(s):
Applicant(s): Silverberg, Z.
Petitioner(s):

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COUNSEL FOR
Defendant(s):
Respondent(s): Ryan Hanna
Counsel for Proposed Liquidator: P. Cho

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PHONE NO. & FAX
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F: 416-225-6751
E: pcho@krmc-law.com

affected by this order.
Company

RELIEF SOUGHT: Consent order

June 20/17 DTG applying Lia + approving sale process this is not an insolvency + there are no provisions that seek to change any creditor etc priorities. Para 32 provides for any party to come to court, however, if it considers its interests

APPENDIX B

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
*Ontario Business Corporations Act, R.S.O., Chapter B-16***

ABBAS MOHAMMAD

Applicant

- and -

**STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.**

Respondents

**PRELIMINARY REPORT OF ALBERT GELMAN INC.
in its capacity as proposed liquidator**

(Dated June 15, 2017)

I. INTRODUCTION

1. Albert Gelman Inc. ("**AGI**") understands that Abbas Mohamad (the "**Applicant**") intends to bring a motion before the Ontario Superior Court of Justice for an Order ("**Liquidation Order**") pursuant to section 207 and 210 of the *Business Corporations Act*, R.S.O. 1990, c. B-16, as amended for an order winding up the respondent, 2497486 Ontario Ltd. ("**2497486**") and appointing AGI as liquidator ("**Liquidator**"), without security, of all of the assets, undertakings and property (the "**Property**"), owned by 2497486.

2. Albert Gelman Inc. is a licensed trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (Canada). AGI has consented to act as Liquidator in these proceedings in the event the Court grants the Liquidation Order. Until the

granting of the Liquidation Order and in the context of this preliminary report, AGI is referred to as the “**Proposed Liquidator**”.

II. PURPOSE OF THIS REPORT

3. The purpose of the Proposed Liquidator’s preliminary report is to provide the Court with details regarding the following:

- a. the real property municipally known as 1028 Bloor Street West, Toronto (the “**Real Property**”) owned by 2497486;
- b. the shareholders and directors of 2497486;
- c. the secured creditors of 2497486;
- d. the request for the appointment of a Liquidator;
- e. the action and activities of the Proposed Liquidator prior to the date of the hearing to appoint the Liquidator which is scheduled for June 20, 2017; and,
- f. the Sales Process (defined below) that the Proposed Liquidator proposes to undertake in order to market and sell the Real Property.

III. SCOPE AND TERMS OF REFERENCE

4. In preparing this report, the Proposed Liquidator has obtained and relied upon certain unaudited financial information of 2497486, 2497486’s books and records, and discussions with both counsel for the Applicant, Mr. David Fogel, and counsel for the Respondents, Mr. Ryan Hanna, as well as with two of the shareholders of 2497486, Mr. Stephen Celestial and Mr. Mustafa Ismael directly, and with 2497486’s accountant.

5. While the Proposed Liquidator has reviewed the various documents provided, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (“**GAAP**”) or International Financial Reporting Standards (“**IFRS**”). Accordingly, the Proposed Liquidator expresses no opinion or other form of assurance pursuant to

GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

6. This report has been prepared for the use of this Court and 2497486's stakeholders as general information relating to 2497486 and to assist the Court in making a determination of whether to approve the relief sought by the Applicant. Accordingly, the reader is cautioned that this report may not be appropriate for any other purpose. The Proposed Liquidator will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

7. Unless otherwise noted, all monetary amounts referenced herein are expressed in Canadian dollars.

IV. BACKGROUND INFORMATION

Real Property

8. The principal asset of 2497486 is the Real Property which it manages. The Real Property consists of a three story building with a commercial unit on the first floor and separate residential units on each of the second and third floors. The commercial unit and the third floor residential unit are leased. The second floor residential unit is vacant.

9. The Proposed Liquidator obtained a parcel register from Land Registry Office #66 for the Land Titles Division in respect of the Real Property dated June 9, 2017 (the "**Parcel Register**") which indicates, among other things, the following:

- a. 2497486 is the registered owner in fee simple of the Real Property;
- b. There is a charge registered against title to the Real Property in favour of Equitable Bank on December 30, 2015 in the amount of \$900,000 as Instrument No. AT4107054; and,

- c. There is a Notice of Assignment of Rents – General registered against title to the Real Property in favour of Equitable Bank on December 30, 2015 as Instrument No. AT4107055;

10. Counsel for the Respondents provided the Proposed Liquidator with an appraisal of the Real Property which was prepared by York Simcoe Appraisal Corporation and dated May 25, 2017 (the “**Appraisal**”). The value set out in the Appraisal is not being disclosed at this time to avoid negatively impacting the marketing and sale of the Real Property. The Proposed Liquidator intends to provide a copy of the Appraisal to the Court under a sealing order when approval of a sale transaction is sought. At this time, the Proposed Liquidator notes that the appraised value exceeds the face amount of the Equitable Bank charge such that there appears to be sufficient equity in the Real Property, as will be more particularly described below.

Shareholders and Directors

11. The common shares of 2497486 are owned as follows:

- a. Abbas Mohammad – 50%;
- b. Stephen Celestial – 25%; and,
- c. Mustafa Ismael – 25%.

(collectively, the “**Shareholders**”)

12. Based on information set out in a corporation profile report obtained by the Proposed Liquidator dated June 13, 2017, the Shareholders are also the directors of 247486. Attached hereto as **Appendix “A”** is a copy of the corporation profile report.

13. The Proposed Liquidator understands that the Shareholders are divided with Abbas Mohammad on one side, and Stephen Celestial and Mustafa Ismael on the other, resulting in a deadlock situation.

Secured and Unsecured Creditors

14. Based on the information set out in the Parcel Register, Equitable Trust has a first charge on the Real Property. Counsel to the Applicant provided the Proposed Liquidator with a mortgage discharge statement in respect of the Equitable Trust mortgage which indicates that in order for Equitable Bank to agree to discharge the mortgage on June 20, 2017, Equitable Bank requires payment in the amount of \$838,291.73 (the “**Payout Statement**”).

15. The Proposed Liquidator conducted a search pursuant to the *Personal Property Security Act* (Ontario) (“**PPSA**”) on June 13, 2017 (the “**PPSA Search**”) which identified, as of June 12, 2017, Equitable Bank as having registered a financing statement on December 31, 2015. The financing statement indicates that Equitable Bank claims a security interest against 2497486 in respect of inventory, equipment, accounts and other in the amount of \$900,000 pursuant to a General Assignment of Rents and a General Security Agreement with respect to the Real Property. There were no other creditors with registered security interests identified on the PPSA Search. Attached hereto as **Appendix “B”** is a copy of the PPSA Search.

16. The Proposed Liquidator is not in a position to report on the unsecured creditors of 2497486 at this time. However, the Proposed Liquidator is advised by the directors that the quantum of any unsecured debt is significantly less than the anticipated equity available in the Real Property.

17. The Proposed Liquidator also understands that 2497486 is not in default of any of its obligations at this time, and is not otherwise insolvent within the meaning of the *Bankruptcy and Insolvency Act* (Canada).

Appointment of Liquidator

18. The Proposed Liquidator has been advised by both counsel to the Applicant and counsel to the Respondents that the parties have agreed to the winding up of 2497486 and, for the purpose of winding up the company, the appointment of the Liquidator is on consent of both the Applicant and the Respondents.

19. The Proposed Liquidator understands that the Real Property, and any associated assets arising out of the Real Property, constitutes substantially all of the assets of 2497486. As such, the Liquidator anticipates that once the Real Property has been sold, the Liquidator will seek to pay out all of the creditors in full, pending only the resolution of any disputes as between the shareholders and the characterization of any of their claims as equity or debt.

V. PRE-FILING ACTIVITIES OF THE PROPOSED LIQUIDATOR

20. Prior to the date of the Court hearing to appoint the Liquidator, the Proposed Liquidator undertook, among other things, the following activities:

- a. Met with the respondent shareholders and their legal counsel, Mr. Ryan Hanna, on June 7, 2017 at Mr. Hanna's office to discuss the appointment of a liquidator of the 2497486's property, and in particular, the Real Property;
- b. Participated in several conference calls with counsel for the Applicant and counsel for the Respondents to discuss the appointment of a liquidator;
- c. Provided the Applicant with its consent to the appointment as Liquidator. Attached hereto as **Appendix "C"** is a copy of the consent;
- d. Obtained a fee guarantee from the Applicant along with a third party deposit from the Applicant in the amount of \$50,000 in support of the guarantee;
- e. Retained Kronis, Rotsztain, Margles, Cappel LLP as its proposed legal counsel in this matter; and,
- f. Prepared this preliminary report.

VI. PROPOSED SALE PROCESS

21. The Proposed Liquidator contemplates undertaking, among other things, the following steps in order to sell the Real Property:

- a. Select a licensed commercial real estate agent (the “**Realtor**”) and enter into a listing agreement with the Realtor;
- b. In consultation with the Realtor, determine whether the Proposed Liquidator should enter into or renew lease agreements in order to fill or avoid a vacancy of any of the units of the Real Property, and whether this should be done prior to the listing and marketing of the Real Property;
- c. Instruct the Realtor to list the property on MLS and engage in any other marketing activities that it, in consultation with the Realtor, believes will improve the exposure to the market and ultimately result in the highest purchase offers;
- d. Negotiate any offer received from any prospective purchaser of the Real Property;
- e. Enter into to an agreement to sell the Real Property (the “**Transaction**”); and,
- f. Obtain an Order of this honourable Court to close the Transaction.

(collectively, the “**Sales Process**”)

22. The Proposed Liquidator anticipates that the ultimate purchaser of the Real Property will require an Order of the Court approving the Transaction and vesting in that purchaser 2497486’s right, title and interest in and to the Real Property free and clear of any encumbrances (the “**Approval and Vesting Order**”). In this regard, the Proposed Liquidator anticipates that any agreement of purchase and sale of the Real Property will be conditional on the Purchaser obtaining an Approval and Vesting Order.

VII. RECOMMENDATIONS

23. For the reasons explained herein the Proposed Liquidator respectfully recommends that this Honourable Court make an Order approving:

- a. the appointment of the Proposed Liquidator as Liquidator of 2497486;

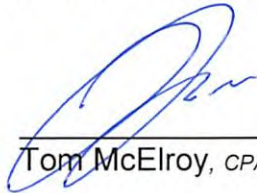
- b. this report and the activities of the Proposed Liquidator prior to the Court hearing to appoint the Liquidator described herein; and,
- c. the order sought by the Applicant, including with respect to the Sales Process.

* * *

All of which is respectfully submitted this 15th day of June, 2017.

**ALBERT GELMAN INC., solely in its
capacity as the Proposed Court-Appointed Liquidator of 2497486 Ontario Ltd.
and not in its Personal or any other Capacity**

Per:



Tom McElroy, CPA, CA, CBV, CIRP, LIT

APPENDIX C

Agreement of Purchase and Sale Commercial



Form 500
for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 31 day of August, 2017

BUYER, Elia Mazzawi In Trust, agrees to purchase from
(Full legal names of all Buyers)

SELLER, Albert Gelman Inc., Court-Appointed Liquidator Of 2497486 Ontario Ltd., the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address 1028 BLOOR ST W

fronting on the North side of Bloor

in the Toronto City of

and having a frontage of 20 Feet EM more or less by a depth of 122 Feet EM more or less

and legally described as Plan 622 Blk F Pt Lots 5&6

(Legal description of land including easements not described elsewhere) (the "property")

PURCHASE PRICE: Dollars (CDN\$) 1,950,000.00

One Million Nine Hundred Fifty Thousand Dollars

DEPOSIT: Buyer submits Upon acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

Two Hundred Thousand Dollars (CDN\$) 200,000.00

by negotiable cheque payable to: FOREST HILL REAL ESTATE INC. "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A B & C attached hereto form(s) part of this Agreement.

1. **IRREVOCABILITY:** This offer shall be irrevocable by Buyer until 11:59 p.m. on the 2 day of September, 2017, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the 18 day of October, 2017. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

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IN CONJUNCTION WITH COURT APPROVAL IN ACCORDANCE WITH SCHEDULE B

INITIALS OF BUYER(S): EM

INITIALS OF SELLER(S): EM

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3. NOTICES: The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: 905-695-6194
(For delivery of Documents to Seller)

FAX No.:
(For delivery of Documents to Buyer)

Email Address: michael@switzerhomes.com
(For delivery of Documents to Seller)

Email Address: aarabia@gmail.com
(For delivery of Documents to Buyer)

4. CHATELS INCLUDED:
 All Existing Appliances, Light Fixtures And Equipment Belonging To The Seller.

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. FIXTURES EXCLUDED:


6. RENTAL ITEMS (Including Lease, Lease to Own): The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price. The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

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8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 9th day of October, 2017 (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there

are no outstanding work orders or deficiency notices affecting the property, that its present use (Mix Commercial/Residential) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.


12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S): EM

INITIALS OF SELLER(S): TM

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- 15. PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
- 16. DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
- 17. RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 20. PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 21. TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
- 22. FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless the spouse of the Seller has executed the consent hereinafter provided.
- 23. UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 25. CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 26. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

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INITIALS OF SELLER(S):

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28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Witness lines and signature lines for Buyer/Authorized Signing Officer with date Aug 31, 2017.

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the broker(s).

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Witness lines and signature lines for Seller/Authorized Signing Officer with date Sep 2/17.

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

Witness lines and signature lines for Spouse with date blank.

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 9:00 a.m./p.m. this 2 day of September, 2017.

Signature line for Seller or Buyer with date 2017.

INFORMATION ON BROKERAGE(S)
Listing Brokerage: FOREST HILL REAL ESTATE INC. Tel.No. (905) 695-6195
Salesperson / Broker Name: MICHAEL SWITZER
Co-op/Buyer Brokerage: RIGHT AT HOME REALTY INC. Tel.No. (905) 637-1700
Salesperson / Broker Name: AMIR SEYED H AARABI HASHEMI

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.
I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.
Includes signature lines, dates (Sep 2/17 and Aug 31/17), and address lines for Seller and Buyer.

FOR OFFICE USE ONLY COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale;
In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.
DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:
Includes signature lines for Listing Brokerage and Co-operating Brokerage.

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Elia Mazzawi In Trust, and

SELLER, Albert Gelman Inc., Court-Appointed Liquidator Of 2497486 Ontario Ltd.

for the purchase and sale of **1028 BLOOR ST W** **Toronto**

M6H 1M2 dated the **31** day of **August**, 20**17**

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, to the Seller on completion of this transaction, with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

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~~The Seller represents and warrants that during the time the Seller has owned the property, the use of the property and the buildings and structures thereon has not been for the growth or manufacture of any illegal substances, and that to the best of the Seller's knowledge and belief, the use of the property and the buildings and structures thereon has never been for the growth or manufacture of illegal substances. This warranty shall survive and not merge on the completion of this transaction.~~



The Buyer shall have the right to inspect the property prior to completion for the purpose of inspection for (c.g., financing, insurance, estimate(s) from contractors(s) etc.) 1 to a maximum of 4 time(s), at a mutually agreed upon time(s). The Seller agrees to provide access to the property for the purpose of the inspection(s).

This Offer is conditional upon the approval of the terms hereof by the Buyer's Solicitor. Unless the Buyer gives notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than 9:00 p.m. on September 12, 2017, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller as aforesaid within the time period stated herein.

Upon acceptance of this Offer, the Seller agrees to provide the Buyer with copies of all leases on the property. Upon review by the Buyer, if the terms of said leases are unacceptable to the Buyer, in the Buyer's sole and absolute discretion, the Buyer shall have the right to terminate this Agreement by notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than 9:00 p.m. on September 12, 2017, and the deposit shall be returned to the Buyer in full without deduction.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

EM

INITIALS OF SELLERS(S):

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**Schedule A
Agreement of Purchase and Sale – Commercial**

Form 500
for use in the Province of Ontario



This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Elia Mazzawi In Trust....., and

SELLER, Albert Gelman Inc., Court-Appointed Liquidator Of 2497486 Ontario Ltd......

for the purchase and sale of **1028 BLOOR ST W** **Toronto**

M6H 1M2 dated the **31** day of **August** **20 17**

This Offer is conditional upon the inspection of the subject property by a building inspector at the Buyer's own expense, and the obtaining of a report satisfactory to the Buyer in the Buyer's sole and absolute discretion. Unless the Buyer gives notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than 9:00 p.m. on Sep 12, 2017, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. The Seller agrees to co-operate in providing access to the property for the purpose of this inspection. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller as aforesaid within the time period stated herein.

EM Seller

This Offer is conditional upon the approval of the terms hereof by the Seller's Solicitor. Unless the Buyer gives notice in writing delivered to the Buyer personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than 9:00 p.m. on September 12, 2017, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of Seller and may be waived at the Seller's sole option by notice in writing to the Buyer as aforesaid within the time period stated herein.



This form must be Initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): EM

INITIALS OF SELLER(S): TM

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SCHEDULE "B" TO THE AGREEMENT OF PURCHASE AND SALE

1. The Property is being sold on an "as is, where is" and "without recourse" basis with no representations, warranties or (except as expressly stated herein) condition, express or implied, statutory or otherwise of any nature and kind whatsoever as to title, encumbrances, description, present or future use, fitness for use, environmental condition including the existence of hazardous substances, merchantability, quantity, defect (latent or patent), condition, location of structures, improvements and mezzanines or the legality thereof, zoning or lawful use of the Property, rights over adjoining properties and any easements, right-of-way, rights of re-entry, restrictions and/or covenants which run with the land, ingress and egress to the Property, the condition or state of repair of any chattels, encroachments on the Property by adjoining properties or encroachments by the Property on adjoining properties, if any, any outstanding work orders, orders to comply, deficiency notices, building permits or building permit applications, municipal or other governmental requirements agreements or requirements (including site plan agreements, development agreements, Subdivision agreements, building or fire codes, building and zoning bylaws and regulations, development fees, imposts, lot levies and sewer charges) or any other matter or thing whatsoever, either stated or implied. The Buyer acknowledges having reviewed the state of title to the property and agrees to accept title subject to all of the foregoing, and that it shall, despite any presumption to the contrary at law or otherwise, not be entitled to make any requisition as to title or otherwise.
2. This Agreement is conditional upon the Seller obtaining an Order of the Court approving the said Agreement, as well as conditional upon the Seller obtaining an Order of the Court vesting the Property in the Buyer, on Closing directing all registered charges, including, but not limited to:

~~a. Charge in favour of Equitable Bank registered on December 30, 2013 in the amount of \$900,000 as instrument No. AT4107034~~

only to be deleted from title (collectively, the "Sale Approval and Vesting Order"). The Buyer shall accept title to the Property subject to all other encumbrances and registrations. On Closing, title will be transferred by the Sale Approval and Vesting Order and not by Transfer/Deed of Land. Buyer acknowledges and agrees that it shall satisfy itself regarding title during the Buyer's Conditional Period set out in Schedule ~~A (The Buyer's Conditional Period)~~.

3. The Buyer acknowledges that it has relied entirely on its own judgment, inspection and investigation of the Property and any rights necessary to the access, use and enjoyment of, appurtenant or otherwise, the Property.

EM



4. In the event of any conflict or inconsistency between any provision of this Schedule "B" and any provision of this Agreement of Purchase and Sale not contained in Schedule "B", the provision of Schedule "B" shall govern and prevail.
5. The Buyer acknowledges that the Seller is selling the Property pursuant to the Sale Approval and Vesting Order.
6. The Seller shall not be required to furnish any abstracts of title or any survey or other document.
7. The Buyer acknowledges that the fixtures, improvements and chattels, if any, presently on the Property are to be taken by it, at its own risk completely, without representation or warranty of any kind from the Seller as to the ownership or state of repair of any such fixtures, improvements and chattels. The Buyer further acknowledges that the chattels and fixtures presently on the Property may be subject to security interests.
8. ~~The Buyer acknowledges and agrees that the Buyer is acquiring the Property together with all of the chattels (list to be provided) on an "as is where is" basis.~~ The Buyer represents and warrants to the Seller that the Buyer has absolutely satisfied itself as to the status and condition of the Chattels including without limitation their state of repairs.
9. The Buyer agrees with the Seller that the Buyer takes title to the Property subject to any tenancies in existence. The Buyer shall obtain possession of the Property at the Buyer's own expense. The Buyer acknowledges that the Seller will not obtain or provide any acknowledgments or agreements with respect to the Property from third parties, the property manager and any tenants.
10. The Buyer acknowledges that any information supplied to the Buyer by the Seller or its agents or representatives is, and was supplied, without any representation or warranty, and that the responsibility for the verification of any such information shall be wholly the responsibility of the Buyer.
11. The Buyer shall be responsible for payment of all outstanding realty taxes owing on the Property from the Closing Date, and payment of all taxes exigible on sale and transfer of the Property and any Chattels and fixtures, including without limitation, HST as applicable, retail sales tax as applicable and Land Transfer Tax.
12. The Seller shall provide the Buyer with only the keys to the Property that are in its possession.
13. **CLOSING DATE:** The closing date shall occur on the later of (i) five (5) days (not including Saturday, Sunday or any day which is a statutory holiday in the Province of Ontario) following the obtaining of the Court Approval and Vesting Order by the Seller, or (ii) on such later date as the Seller may designate, in its sole discretion.

PROVIDED THAT in the event that the Court Approval and Vesting Order are for any reason (not including the default of the Buyer) not obtained by the 90th day following the date of this Agreement, this Agreement shall be null and void and the deposit shall be returned to the Buyer.

EM



CLOSING DOCUMENTS

Deliveries by Seller

14. The Seller will deliver on closing to the Buyer a certificate signed by the Seller confirming that the Seller is not a non-resident of Canada for the purpose of section 116 of the Income Tax Act, together with the Sale Approval and Vesting Order for registration by the Buyer, with all Land Transfer Taxes to be paid by the Buyer.

Deliveries by Buyer

15. At or before Closing, upon fulfillment by the Seller of all of the conditions herein in favour of the Buyer which have not been waived in writing by the Buyer, the Buyer shall deliver the following, each of which shall be in form and substance satisfactory to the Seller, acting reasonably:
- a. payment of the Purchase Price pursuant to this Agreement;
 - b. a certified copy of the articles of incorporation of the Buyer;
 - c. evidence satisfactory to the Seller that the Buyer is registered for HST under the Excise tax Act, including the Buyer's HST number and an undertaking to self-assess for HST; and

such further and other documentation as is referred to in this Agreement or as the Seller may reasonably require to give effect to this Agreement.

CONFIDENTIALITY

16. The Buyer shall not publicly announce the existence of the Agreement of Purchase and Sale or disclose any of its contents except:
- a. in accordance with a written public statement or other form of disclosure satisfactory to both parties; or
 - b. as required in connection with the application for Court approval.

GENERAL

17. Any notice to be given or document to be delivered to the Seller pursuant to this Agreement shall be sufficient if delivered personally or by facsimile transmission to the Seller as follows:

Albert Gelman Inc.
100 Simcoe Street, Suite 125
Toronto, ON M5H 302

EM



Attention: Tom McElroy
Fax: 416-504-1655 ext. 117
Email: tmcElroy@albertgelman.com

With a Copy to: Kronis, Rotsztain, Margles, Cappel LLP
25 Sheppard Ave W #1100,
North York, ON M2N 6S6
Attention: Philip Cho
Fax: 416.225.6751
Email: pcho@krmc-law.com

18. Any notice to be given or document to be delivered to the Buyer pursuant to this Agreement shall be sufficient if delivered personally or by facsimile transmission to the Buyer as follows:

Name: Amir Aarabi Hashemi- Right At Home Realty Inc
Address: 5111 New St. Burlington
Attention: Amir Aarabi
Fax: 905-637-1070
Email: aarabia@gmail.com

With a Copy to: Howard Waldman
Address: 7636 Yonge St, Thornhill
Attention: Howard Waldman
Fax: 905-881-3199
Email: howard@howardwaldman.com

19. Any written notice or delivery of documents given in either manner prior to 5:00 p.m. (Toronto time) on a Business Day shall be deemed to have been given and received on the day of delivery or facsimile transmission. The address for notice to either party may be changed by notice in writing given by such party to the other party.
20. This Agreement shall be interpreted with all changes of gender and number required by the context.
21. This Agreement or any amendments to this Agreement may be delivered by either party by facsimile transmission, email or any similar system reproducing the original with the necessary signatures. Such delivery shall be deemed to be made when the facsimile transmission or email is received by the applicable party. The signatory shall promptly thereafter deliver the original to the recipient if requested to do so.

EM



22. On the closing date, the Buyer shall deliver the balance of the purchase price due on closing by wire transfer in good funds using the LVTS system to the Seller or as Seller shall direct, together with other closing documents as provided above, all not later than 11:00 a.m. on the date set for closing (unless the Seller otherwise agrees in its sole discretion). The parties agree that the transaction shall proceed in accordance with the terms of a Document Registration Agreement to be prepared by the Seller's solicitors in the Seller's solicitors' standard form for receivership sales which shall set out the arrangements more particularly described in section 11 of the Agreement of Purchase and Sale.
23. In the event that the closing date falls on a date on which the court office or the land registry office is not open or available to accept registrations, then in such event the closing shall take place on the next day on which the court office and the land registry office are open.
24. Property taxes only shall be adjusted as of the closing date. The Buyer acknowledges and agrees that the Seller shall not deliver any undertaking to re-adjust on closing.
25. Sections 10, 12, 14, 16, 17, 18 and 23 of the Agreement of Purchase and Sale are hereby deleted.
26. Notwithstanding anything to the contrary contained in this Agreement, if at any time or times prior to the closing date, the Seller is unable to complete this Agreement as a result of any action taken by an encumbrancer, any action taken by the present registered owner, the refusal by the present registered owner to take any action, the exercise of any right by the present registered owner or other party which is not terminated upon acceptance of this Agreement, a certificate of pending litigation is registered against the Property, a court order is made prohibiting the completion of the sale, or if the Buyer submits a valid title requisition which the Seller is unable or unwilling to satisfy prior to Closing, or if the sale of the Property is restrained or otherwise enjoined at any time by a Court of competent jurisdiction, the Seller may, in its sole and unfettered discretion, elect by written notice to the Buyer to terminate this Agreement, whereupon the deposit and any interest earned thereon shall be returned to the Buyer and neither party shall have any further rights or liabilities hereunder against the other.
27. The Seller, by acceptance of the Offer, is entering into the Agreement solely in its capacity as the Court Appointed Liquidator of 2497486 Ontario Ltd. and not in its personal or any other capacity. Any claim against the Seller shall be limited to, and only enforceable against the property and assets then held by or available to the Seller in its capacity as Liquidator and shall not apply to its personal property and assets held by it in any other capacity. The Seller shall have no personal or corporate liability of any kind, whether in equity, contract, tort or otherwise.

EM



This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Ella Mazzawi In Trust....., and

SELLER, Albert Gelman Inc., Court-Appointed Liquidator Of 2487488 Ontario Ltd......

for the property known as 1028 Bloor St. West Toronto.....

..... dated the 31..... day of August....., 2017.....

Further to the Deposit clause contained in this Agreement of Purchase and Sale, the Buyer agrees to provide a certified cheque, or bank draft, drawn from a Canadian Bank, as a deposit within one business day of the acceptance of this Offer. Upon receipt of the aforementioned payment, the uncertified cheque if provided upon acceptance of this Offer, will be returned to the Buyer or the Buyer's agent. This clause shall also pertain to any additional deposits as specified in the Agreement of Purchase and Sale.


The Buyer Acknowledges that the deposit referred to herein shall be placed in Forest Hill Real Estate Inc. Brokerage's interest bearing trust account, bearing interest at the flexible rate of prime less 2.5%. Provided that the deposit is not less than Five Thousand (\$5,000.00) Dollars and held for not less than thirty (30) days, interest shall be paid to the Buyer at the rate we receive. Interest shall be paid to the date of completion only. Forest Hill Real Estate Inc., Brokerage requests that the Buyer provide a Social Insurance Number for use on the required Revenue Canada T5 forms.

For the purpose of this Agreement, the term "banking days" or "business days" shall mean any day, other than a Saturday, Sunday or a statutory holiday in Toronto, Ontario, Canada.

The parties to this Agreement of Purchase and Sale acknowledge that Forest Hill Real Estate Inc., has recommended that they obtain advice from their legal counsel prior to signing this document.

The parties acknowledge that if a home inspection, floor plans, or any other marketing material is provided, they are for reference purposes only, and that Forest Hill Real Estate Inc. is not responsible for the accuracy of the information provided. The Buyer acknowledges that they are able to have their own home inspection conducted if desired.

~~The Seller warrants that to the best of his knowledge the property has never been used as a marijuana grow operation or a drug lab.~~ EM

The Buyer and Seller agree to allow the Listing Brokerage and the Co-operating Brokerage to use the subject property in future marketing material. 

If the Agreement of Purchase and Sale allows for Buyer visits to the premises after said Agreement is firm and binding, said visits shall be for personal and/or decorative purposes. Each visit shall be limited to ONE (1) hour in length unless otherwise agreed by the Seller.

The Buyer and Seller hereby acknowledge that The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is Canada's financial intelligence unit. Its mandate is to facilitate the detection, prevention and deterrence of money laundering and the financing of terrorist activities, while ensuring the protection of personal information under its control. The Buyer and Seller further acknowledge that the Real Estate Brokerage(s) involved with this transaction shall be required to obtain personal information from them as required under the act.

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S): EM

INITIALS OF SELLER(S): 

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Amendment to Agreement of Purchase and Sale

Form 120
for use in the Province of Ontario

BETWEEN BUYER, Elia Mazzawi In Trust

AND SELLER, Albert Gelman Inc., Court-Appointed Liquidator Of 2497486 Ontario Ltd.

RE: Agreement of Purchase and Sale between the Seller and Buyer, dated the 31 day of August, 2017,

concerning the property known as 1028 BLOOR ST W Toronto

M6H 1M2 as more particularly described in the aforementioned Agreement.

The Buyer(s) and Seller(s) herein agree to the following amendment(s) to the aforementioned Agreement:

Insert/Delete:

Delete:

This Offer is conditional upon the approval of the terms hereof by the Buyer's Solicitor. Unless the Buyer gives notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than 9:00 p.m. on September 12, 2017, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller as aforesaid within the time period stated herein.

Upon acceptance of this Offer, the Seller agrees to provide the Buyer with copies of all leases on the property. Upon review by the Buyer, if the terms of said leases are unacceptable to the Buyer, in the Buyer's sole and absolute discretion, the Buyer shall have the right to terminate this Agreement by notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than 9:00 p.m. on September 12, 2017, and the deposit shall be returned to the Buyer in full without deduction.

This Offer is conditional upon the inspection of the subject property by a building inspector at the Buyer's own expense, and the obtaining of a report satisfactory to the Buyer in the Buyer's sole and absolute discretion. Unless the Buyer gives notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than 9:00 p.m. on Sep 12, 2017, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. The Seller agrees to co-operate in providing access to the property for the purpose of this inspection. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller as aforesaid within the time period stated herein.

Completion Date:
October 18, 2017

INITIALS OF BUYER(S):

EM

INITIALS OF SELLER(S):

[Handwritten Signature]

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Amendment to Agreement of Purchase and Sale

Form 120
for use in the Province of Ontario

BETWEEN BUYER, Elia Mazzawi In Trust

AND SELLER, Albert Gelman Inc., Court-Appointed Liquidator Of 2497486 Ontario Ltd.

RE: Agreement of Purchase and Sale between the Seller and Buyer, dated the 31 day of August, 2017,

concerning the property known as 1028 BLOOR ST W Toronto

M6H 1M2 as more particularly described in the aforementioned Agreement.

The Buyer(s) and Seller(s) herein agree to the following amendment(s) to the aforementioned Agreement:

Insert/Delete:

Insert:

Completion Date: November 23, 2017

The Seller will acknowledge that on closing date deposits for last month rent will be adjusted accordingly.

INITIALS OF BUYER(S): EM

INITIALS OF SELLER(S): [Signature]



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IRREVOCABILITY: This Offer to Amend the Agreement shall be irrevocable by Buyer until 5 p.m.
(Seller/Buyer)

on the 13 day of September, 2017, after which time, if not accepted, this Offer to Amend the Agreement shall be null and void.

For the purposes of this Amendment to Agreement, "Buyer" includes purchaser and "Seller" includes vendor. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective solicitors who are hereby expressly appointed in this regard.

All other Terms and Conditions in the aforementioned Agreement to remain the same.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

[Signature]
.....
[Witness]

[Signature]
.....
[Buyer/Seller] ● DATE Sep 12/17
(Seal)

.....
[Witness]

.....
[Buyer/Seller] ● DATE
(Seal)

I, the Undersigned, agree to the above Offer to Amend the Agreement.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

.....
[Witness]

[Signature]
.....
[Buyer/Seller] ● DATE Sept 12/17
(Seal)

.....
[Witness]

.....
[Buyer/Seller] ● DATE
(Seal)

The undersigned spouse of the Seller hereby consents to the amendment(s) hereinbefore set out.

.....
[Witness]

.....
[Spouse] ● DATE
(Seal)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 9 a.m./p.m. on 12th day of September, 2017

[Signature]
.....
(Signature of Seller or Buyer)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer.

[Signature] DATE Sept 12/17
[Seller]

[Signature] DATE Sep 12/17
[Buyer]

.....
[Seller] DATE

.....
[Buyer] DATE

Address for Service

Address for Service

Tel.No.

Tel.No.

Seller's Lawyer

Buyer's Lawyer

Address

Address

Email

Email

.....

.....

Tel.No. FAX No.

Tel.No. FAX No.

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Form 123

for use in the Province of Ontario

BUYER: ELIA MAZZAWI IN TRUST

SELLER: ALBERT GELMAN INC., COURT-APPOINTED LIQUIDATOR OF 2497486 ONTARIO LTD.

REAL PROPERTY: 1028 BLOOR STREET WEST

PLAN 622 BLK F PT LOTS 5 & 6

CITY OF TORONTO

In accordance with the terms and conditions of the Agreement of Purchase and Sale dated the 31 day of August

20.17, regarding the above property, I/We hereby waive the condition(s) which read(s) as follows:

This Offer is conditional upon the approval of the terms hereof by Seller's Solicitor. Unless the Seller gives notice in writing delivered to the Buyer personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than 9:00 p.m. on September 12, 2017, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of Seller and may be waived at the Seller's sole option by notice in writing to the Buyer as aforesaid within the time period state herein.

All other terms and conditions in the aforementioned Agreement of Purchase and Sale to remain unchanged.

For the purposes of this Waiver, "Buyer" includes purchaser, tenant, and lessee, and "Seller" includes vendor, landlord, and lessor, and "Agreement of Purchase and Sale" includes an Agreement to Lease.

WAIVED at Toronto, Ontario, at 9 a.m./p.m. this 12 day of September 2017

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

[Witness]

[Buyer/Seller]

DATE Sept 12/17
(Seal)

[Witness]

[Buyer/Seller]

DATE _____
(Seal)

Receipt acknowledged at _____ a.m./p.m. this _____ day of _____ 20_____ by:

Print Name: _____ Signature: _____

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Registrant's Disclosure of Interest Acquisition of Property

Form T60
for use in the Province of Ontario

This statement is made in accordance with the requirements of the Real Estate and Business Brokers Act and Code of Ethics Regulations of the Province of Ontario.

I, Elia Mazzawi declare that I am a registered
(Name of Registrant)

Real Estate Salesperson representing RIGHT AT HOME REALTY INC.
(Brokerage/Broker/Salesperson) (Name of Brokerage)

In connection with a proposed Offer to Purchase/Lease/Exchange/Option your Property known as 1028 Bloor St West

Please be advised that, if the proposed Offer is accepted, I will be either directly or indirectly acquiring an interest in your Property.

NOTE: If the Registrant's Interest is indirect, explain the nature of the interest in accordance with the definition of a "Related Person", as defined in the Code of Ethics Regulations of the Real Estate and Business Brokers Act.
EXPLANATION:

I hereby declare that the following is a full disclosure of all facts within my knowledge that affect or will affect the value of your Property:

Will be purchasing the property under a company that I will own

(Attach Appendix "A" if necessary)

AND

I hereby declare that the following is a full disclosure of the particulars of any agreement by, or on behalf of myself for the sale, exchange, option or other disposition of any interest in your Property to any other person:

(Attach Appendix "B" if necessary)

I will be receiving a portion of any commission payable in connection with this transaction.
(will/will not)

For the purposes of this Registrant's Statement as Buyer, "Buyer" includes purchaser, tenant and lessee, and "Seller" includes vendor, landlord and lessor.

Elia Mazzawi DATE Aug 31/17
(Signature of Registrant who is making the Declaration)

[Signature] DATE
(Signature of Broker of Record/Manager of Brokerage)

ACKNOWLEDGEMENT

I/We, the undersigned, as Seller(s) in this transaction have read and clearly understand this statement and acknowledge this date having received a copy of same, PRIOR TO BEING PRESENTED WITH AN OFFER TO PURCHASE, LEASE, EXCHANGE, OR OPTION.

..... DATE SEP 2/17
(Witness) (Seller)

..... DATE
(Witness) (Seller)

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Registrant's Disclosure of Interest
Acquisition of Property

This statement is made in accordance with the requirements of the Real Estate and Business Brokers Act and Code of Ethics Regulations of the Province of Ontario.

I, Amir Seyed Aarabi Hashemi declare that I am a registered
 (Name of Registrant)

Real Estate Salesperson representing RIGHT AT HOME REALTY INC.
 (Brokerage/Broker/Salesperson) (Name of Brokerage)

in connection with a proposed Offer to Purchase/Lease/Exchange/Option your Property known as 1028 Bloor St West, Toronto

Please be advised that, if the proposed Offer is accepted, I will be either directly or indirectly acquiring an interest in your Property.

NOTE: If the Registrant's interest is indirect, explain the nature of the interest in accordance with the definition of a "Related Person", as defined in the Code of Ethics Regulations of the Real Estate and Business Brokers Act.

EXPLANATION:

I hereby declare that the following is a full disclosure of all facts within my knowledge that affect or will affect the value of your Property:

I am partners with Elia Mazzawi and have interest in his company

AND (Attach Appendix "A" if necessary)
 I hereby declare that the following is a full disclosure of the particulars of any agreement by, or on behalf of myself for the sale, exchange, option or other disposition of any interest in your Property to any other person:

I will (Attach Appendix "B" if necessary)
 (will/will not) ..be receiving a portion of any commission payable in connection with this transaction.

For the purposes of this Registrant's Statement as Buyer, "Buyer" includes purchaser, tenant and lessee, and "Seller" includes vendor, landlord and lessor.

(Signature of Registrant who is making the Declaration) Amir Hashemi DATE Aug 31/17

(Signature of Broker of Record/Manager of Brokerage) [Signature] DATE

ACKNOWLEDGEMENT

I/We, the undersigned, as Seller(s) in this transaction have read and clearly understand this statement and acknowledge this date having received a copy of same, PRIOR TO BEING PRESENTED WITH AN OFFER TO PURCHASE, LEASE, EXCHANGE, OR OPTION.

(Witness) X [Signature] DATE SEP 21/17

(Witness) DATE

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Confirmation of Co-operation and Representation

Form 320
for use in the Province of Ontario

BUYER: Elia Mazzawi In Trust

SELLER: Albert Gelman Inc., Court-Appointed Liquidator Of 2497486 Ontario Ltd.

For the transaction on the property known as: 1028 BLOOR ST W Toronto M6H 1M2

DEFINITIONS AND INTERPRETATIONS: For the purposes of this Confirmation of Co-operation and Representation: "Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant, "sale" includes a lease, and "Agreement of Purchase and Sale" includes an Agreement to Lease. Commission shall be deemed to include other remuneration.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002 (REBBA 2002) and Regulations.

1. LISTING BROKERAGE

- a) The Listing Brokerage represents the interests of the Seller in this transaction. It is further understood and agreed that:
 - 1) The Listing Brokerage is not representing or providing Customer Service to the Buyer.
(If the Buyer is working with a Co-operating Brokerage, Section 3 is to be completed by Co-operating Brokerage)
 - 2) The Listing Brokerage is providing Customer Service to the Buyer.
- b) **MULTIPLE REPRESENTATION:** The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage. However, the Listing Brokerage shall not disclose:
 - That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
 - That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
 - The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
 - The price the Buyer should offer or the price the Seller should accept;
 - And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.
 However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage represents more than one Buyer offering on this property.)

2. PROPERTY SOLD BY BUYER BROKERAGE - PROPERTY NOT LISTED

- The Brokeragerepresent the Buyer and the property is not listed with any real estate brokerage. The Brokerage will be paid (does/does not)
 - by the Seller in accordance with a Seller Customer Service Agreement
 - or: by the Buyer directly

Additional comments and/or disclosures by Buyer Brokerage: (e.g. The Buyer Brokerage represents more than one Buyer offering on this property.)

INITIALS OF BUYER(S)/SELLER(S)/BROKERAGE REPRESENTATIVE(S) (Where applicable)

EM
BUYER

AA
CO-OPERATING/BUYER BROKERAGE

[Signature]
SELLER

[Signature]
LISTING BROKERAGE

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3. Co-operating Brokerage completes Section 3 and Listing Brokerage completes Section 1.

CO-OPERATING BROKERAGE- REPRESENTATION:

- a) The Co-operating Brokerage represents the interests of the Buyer in this transaction.
- b) The Co-operating Brokerage is providing Customer Service to the Buyer in this transaction.
- c) The Co-operating Brokerage is not representing the Buyer and has not entered into an agreement to provide customer service(s) to the Buyer.

CO-OPERATING BROKERAGE- COMMISSION:

- a) The Listing Brokerage will pay the Co-operating Brokerage the commission as indicated in the MLS® information for the property 2.5% + Hst to be paid from the amount paid by the Seller to the Listing Brokerage.
(Commission As Indicated In MLS® Information)
- b) The Co-operating Brokerage will be paid as follows:

Additional comments and/or disclosures by Co-operating Brokerage: (e.g., The Co-operating Brokerage represents more than one Buyer offering on this property.)

Commission will be payable as described above, plus applicable taxes.

COMMISSION TRUST AGREEMENT: If the above Co-operating Brokerage is receiving payment of commission from the Listing Brokerage, then the agreement between Listing Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller. This Commission Trust Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission trusts of the Listing Brokerage's local real estate board, if the local board's MLS® rules and regulations so provide. Otherwise, the provisions of the OREA recommended MLS® rules and regulations shall apply to this Commission Trust Agreement. For the purpose of this Commission Trust Agreement, the Commission Trust Amount shall be the amount noted in Section 3 above. The Listing Brokerage hereby declares that all monies received in connection with the trade shall constitute a Commission Trust and shall be held, in trust, for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.



SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

RIGHT AT HOME REALTY INC.
(Name of Co-operating/Buyer Brokerage)
5111 NEW STREET UNIT 100 BURLINGTON
Tel: (905) 637-1700 Fax: (905) 637-1070
Date: Aug 31, 2017
AMIR SEYED H AARABI HASHEMI
(Print Name of Broker/Salesperson Representative of the Brokerage)

FOREST HILL REAL ESTATE INC.
(Name of Listing Brokerage)
9001 DUFFERIN ST UNIT A9 THORNHILL
Tel: (905) 695-6195 Fax: (905) 695-6194
Date: September 2, 2017
MICHAEL SWITZER
(Print Name of Broker/Salesperson Representative of the Brokerage)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction)

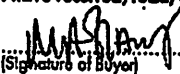
The Buyer/Seller consent with their initials to their Brokerage representing more than one client for this transaction.

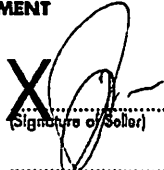
BUYER'S INITIALS SELLER'S INITIALS

ACKNOWLEDGEMENT

I have received, read, and understand the above information.

 Date: Aug 31, 2017
 (Signature of Buyer)

_____ Date: _____
 (Signature of Buyer)

 Date: Sep 2, 2017
 (Signature of Seller)

_____ Date: _____
 (Signature of Seller)

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APPENDIX D

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Ontario Business Corporations Act, R.S.O., Chapter B-16

THE HONOURABLE) MONDAY, THE 30TH
JUSTICE *HAINES*) DAY OF OCTOBER, 2017

B E T W E E N:

ABBAS MOHAMMAD

Applicant

- and -

**STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.**

Respondents

APPROVAL AND VESTING ORDER

THIS MOTION, made by Albert Gelman Inc. in its capacity as the Court-appointed liquidator (the "Liquidator") of the undertaking, property and assets of 2497486 Ontario Ltd. (the "Company") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale, as amended, (the "Sale Agreement") between the Liquidator and Modern City Real Estate Investment Trust Company Ltd. (the "Purchaser") dated August 31, 2017 and appended to the Confidential First Report of the Liquidator dated October 18, 2017 (the "Confidential First Report"), and vesting in the Purchaser the Company's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the First Report of the Liquidator dated October 18, 2017 (the "First Report"), the Confidential First Report, and on hearing the submissions of counsel for the Liquidator, and counsel for the Applicant and the individual Respondents, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Kelly Barrett sworn October 19, 2017, filed:

1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Liquidator is hereby authorized and approved, with such minor amendments as the Liquidator may deem necessary. The Liquidator is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Liquidator's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Liquidator's Certificate"), all of the Company's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule B hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Conway dated June 20, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Toronto of an Application for Vesting Order in the form prescribed by

the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

4. THIS COURT ORDERS that the Liquidator is authorized and directed to pay to Equitable Bank, from the proceeds of the Transaction, amounts sufficient to obtain a discharge of Equitable Bank's Charge registered against the Real Property in the usual course, together with all usual and ordinary disbursements to third parties in order to complete the Transaction.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Liquidator's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Liquidator to file with the Court a copy of the Liquidator's Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Company and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Company;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and shall not be void or voidable by creditors of the Company, nor shall it constitute nor be deemed to be a fraudulent

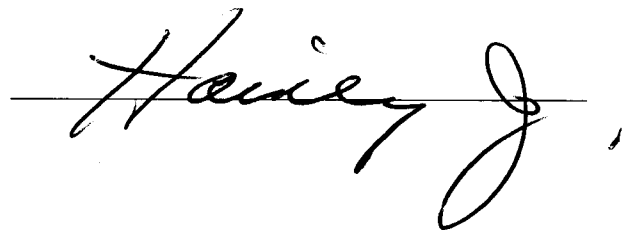
preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS AND DECLARES that the Confidential First Report, and all appendices thereto, shall be sealed and shall remain sealed until the completion of the Transaction, or further order of this Court.

9. THIS COURT ORDERS that the fees and disbursements of the Liquidator and its counsel, as set out in the Affidavit of Tom McElroy sworn on October 18, 2014 and the Affidavit of Dov Tal sworn on October 18, 2014, appearing as Appendices "F" and "G", respectively, in the First Report, be and are hereby approved.

10. THIS COURT ORDERS that the First Report and the Confidential First Report of the Liquidator, and the actions and activities of the Liquidator as described therein, be and are hereby approved.

11. THIS COURT ORDERS that the Liquidator's Interim Statement of Receipts and Disbursements as at October 17, 2017, appearing as Appendix "E" in the First Report, be and is hereby approved.

A handwritten signature in black ink, appearing to read "Henry J.", written over a horizontal line.

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

OCT 30 2017

PER / PAR:

Handwritten initials "ml" in black ink.

Schedule A – Form of Liquidator’s Certificate

Court File No. CV-17-11740-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

Ontario Business Corporations Act, R.S.O., Chapter B-16

B E T W E E N:

ABBAS MOHAMMAD

Applicant

- and -

**STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.**

Respondents

LIQUIDATOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Conway of the Ontario Superior Court of Justice (the "Court") dated June 20, 2107, Albert Gelman Inc. was appointed as the liquidator (the "Liquidator") of the undertaking, property and assets of 2497486 Ontario Ltd. (the "Company").

B. Pursuant to an Order of the Court dated October 30, 2017, the Court approved the agreement of purchase and sale made as of August 31, 2017, as amended (the "Sale Agreement") between the Liquidator and Modern City Real Estate Investment Trust Company Ltd. (the "Purchaser") and provided for the vesting in the Purchaser of the Company’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Liquidator to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the

conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Liquidator and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Liquidator.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE LIQUIDATOR CERTIFIES the following:

1. The Purchaser has paid and the Liquidator has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Liquidator and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Liquidator.
4. This Certificate was delivered by the Liquidator at _____ [TIME] on _____ [DATE].

**Albert Gelman Inc., in its capacity as
Liquidator of the undertaking, property and
assets of 2497486 Ontario Ltd., and not in its
personal capacity**

Per: _____
Name:
Title:

Schedule B – Purchased Assets

The real property described as:

PIN: 21292 - 0416 LT
Description: PT LT 5-6 BLK F PL 622 NORTH WEST ANNEX AS IN WD85145;
CITY OF TORONTO
Address: 1028 BLOOR STREET WEST, TORONTO

Schedule C – Claims to be deleted and expunged from title to Real Property

1. Charge registered against title to the Real Property in favour of Equitable Bank on December 30, 2015 in the amount of \$900,000 as Instrument No. AT4107054
2. Notice of Assignment of Rents – General registered against title to the Real Property in favour of Equitable Bank on December 30, 2015 as Instrument No. AT4107055
3. Appointment Order registered against title to the Real Property on July 17, 2017 as Instrument No. AT4628906

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property (unaffected by the Vesting Order)**

NONE

ABBAS MOHAMMAD

Applicant

-and-

**STEPHEN CELESTIAL, MUSTAFA ISMAEL AND 2497486
ONTARIO LTD.**

Respondents

Court File No. CV-17-11740-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

APPROVAL AND VESTING ORDER

**KRONIS, ROTSZTAIN,
MARGLES, CAPPEL LLP**
Barristers and Solicitors
25 Sheppard Avenue West, Suite 1100
Toronto, Ontario M2N 6S6

Philip Cho LSUC #45615U
Tel: (416) 225-8750
Fax: (416) 225-6751

Lawyers for Albert Gelman Inc., in its
capacity as Court-appointed Liquidator of
2497486 Ontario Ltd.

APPENDIX E

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Ontario Business Corporations Act, R.S.O., Chapter B-16

ABBAS MOHAMMAD

Applicant

- and -

STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.

Respondents

FIRST REPORT OF ALBERT GELMAN INC.
in its capacity as court-appointed liquidator

(Dated October 18, 2017)

I. INTRODUCTION

1. This first report ("**First Report**") is filed by Albert Gelman Inc. ("**AGI**") in its capacity as liquidator (the "**Liquidator**") appointed pursuant to the Order of the Honourable Justice Conway of the Ontario Superior Court of Justice, Commercial List, dated June 20, 2017 (the "**Appointment Order**"), without security, over all of the assets, undertakings and properties (the "**Property**") of 2497486 Ontario Inc. ("**2497486**" or the "**Company**"). The application was commenced by Abbas Mohammad. A copy of the Appointment Order along with the endorsement of Justice Conway dated June 20, 2017 is attached hereto as **Appendix "A"**.

2. Prior to the date of the Appointment Order the Liquidator (in its capacity as Proposed Liquidator at that time) prepared a report in respect of these proceedings (the "**Pre-Filing Report**"). The Pre-Filing Report contained, among other things, details

regarding the principal asset of the Company being the real property municipally known as 1028 Bloor Street West, Toronto (the "**Real Property**") as well as details regarding the proposed sales process (the "**Sales Process**"). A copy of the Pre-Filing Report (without appendices) is attached hereto as **Appendix "B"**.

3. 2497486 is a corporation incorporated under the laws of the province of Ontario.

4. The common shares of 2497486 are owned by Abbas Mohammad (50%), Stephen Celestial (25%) and Mustafa Ismael (25%) (collectively, the "**Shareholders**").

5. Based on information set out in a corporation profile report obtained by the Liquidator dated June 13, 2017, the Shareholders are also the directors of 2497486.

6. The Liquidator understands that the Shareholders are divided with Abbas Mohammad on one side, and Stephen Celestial and Mustafa Ismael on the other, resulting in a deadlock situation. The appointment of the Liquidator was on consent of both the Applicant and the Respondents.

7. As was noted above, the principal asset of 2497486 is the Real Property which it manages. The Real Property consists of a three story building with a commercial unit on the first floor and separate residential units on each of the second and third floors. The commercial unit and the third floor residential unit are leased. The second floor residential unit is vacant.

II. PURPOSE OF THIS REPORT

8. The purpose of the First Report is to seek an order:

- a. approving this First Report as well as the actions and activities of the Liquidator described herein, including the Liquidator's interim statement of receipts and disbursements as of October 17, 2017 (the "**Interim SRD**");
- b. approving and authorizing the Liquidator to enter into and carry out the terms of the sale transaction (the "**Transaction**") contemplated by a binding Agreement of Purchase and Sale executed by the Liquidator on September

2, 2017, including an Amendment to Agreement of Purchase and Sale executed on September 12, 2017 (collectively, the “**Purchase Agreement**”) between the Liquidator and the Purchaser (defined in the Confidential First Report) and vesting in the Purchaser, the Company’s right, title and interest in the Real Property;

- c. approving the Liquidator’s proposed Claims Solicitation Process (defined below);
- d. approving the Confidential First Report (defined below);
- e. sealing the Confidential First Report until the Transaction has been completed;
- f. approving the fees and disbursements of the Liquidator to October 17, 2017;
- g. approving the fees and disbursements of the Liquidator’s counsel, Kronis, Rotsztain, Margles, Cappel LLP to October 17, 2017; and,
- h. providing for such further and other relief as this Honourable Court may deem just.

III. SCOPE AND TERMS OF REFERENCE

9. In preparing this First Report, the Liquidator has obtained and relied upon certain unaudited financial information of 2497486, 2497486’s books and records, and discussions with both counsel for the Applicant, Mr. David Fogel, and counsel for the Respondents (excluding the Company), Mr. Ryan Hanna, as well as with two of the shareholders of 2497486, Mr. Stephen Celestial and Mr. Mustafa Ismael directly, and with 2497486’s accountant, Mr. Errol Chapman.

10. While the Liquidator has reviewed the various documents provided, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (“**GAAP**”)

or International Financial Reporting Standards (“IFRS”). Accordingly, the Liquidator expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

11. This report has been prepared for the use of this Court to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this report may not be appropriate for any other purpose. The Liquidator will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

12. Unless otherwise noted, all monetary amounts referenced herein are expressed in Canadian dollars.

IV. ACTIONS AND ACTIVITIES OF THE LIQUIDATOR

13. The actions and activities of the Liquidator since the date of the Appointment Order, and as reflected in the Interim SRD, are, among other things, as follows:

- a. Undertook the Sales Process (defined below) which is described in more detail below;
- b. Changed the locks to the second floor residential unit which is vacant;
- c. Contacted the Canadian Imperial Bank of Commerce (“CIBC”) to notify of our appointment and request the account be converted to deposit only;
- d. Contacted the Equitable Bank, the mortgagee of the Real Property, to notify of our appointment and make arrangement to continue to make the monthly mortgage payments;
- e. Retained Onyx-Fire Protection Services Inc. to conduct an inspection of the Real Property and to bring the Real Property up to code by installing the necessary equipment on site, such as smoke and carbon monoxide detectors, fire extinguishers, etc.

- f. Obtained an appraisal of the Real Property prepared by Mpire Appraisers as of July 13, 2017 (the “**Appraisal**”). A copy of the Appraisal is enclosed with the Confidential First Report;
- g. Met with several roofing contractors to discuss the sagging back roof as there was severe pooling of water. Further, the Equitable Bank required remediation of the roof as part of the mortgage before December 2018 and, as a result, at the time the mortgage was obtained by the Company, Equitable Bank withheld approximately \$75,000 which was to be used exclusively for the purposes of fixing the sagging roof (the “**Holdback**”). The Liquidator decided not to proceed with any repairs to the roof as the Purchaser purchased the property on an “as is, where is” basis. The payout statement received by the Liquidator from Equitable Bank dated October 16, 2017 indicates that the Holdback will be deducted from the payout amount;
- h. Met with a representative of AECO Group, a certified asbestos abatement company, to confirm the existence of, and obtain a quote for the removal of, asbestos pipe wrapping and asbestos ceiling tiles in the basement of the Real Property. The Liquidator obtained confirmation from AECO Group that, unless disturbed, the asbestos was not a health risk and as such it decided not to proceed with the abatement as it would require vacancy of the Real Property for a period of time. Furthermore, the Purchaser did not require abatement of the asbestos as a condition of its purchase;
- i. Registered a copy of the Appointment Order on title to the Real Property in accordance with paragraph 4(n) of the Appointment Order;
- j. Contacted the Company’s insurance broker to be added to the Company’s existing insurance policy with Coachman Insurance Company (policy no. C84686951-7) in order to continue with the Company’s insurance policies;
- k. Redirected the Company’s mail to the offices of the Liquidator;

- l. Inspected the premises upon taking possession and, at that time, took pictures and videos of the premises;
- m. Engaged a property manager to attend at the Real Property twice per week to address maintenance and other property management tasks;
- n. Met with Mustafa Ismael at the Real Property to obtain a tour of the Real Property and discuss matters relating the repairs and maintenance of the Real Property;
- o. Contacted the Company's external accountant, Errol Chapman of Errol Chapman Professional Corporation ("ECPC"), to obtain copies of the Company's financial statements and tax filings for the year ended December 31, 2016 and instructed the accountant to proceed with corporate tax and HST filings for the period ended June 20, 2017;
- p. Obtained copies of the company's books and records including the commercial lease, residential lease, accountings records, etc.;
- q. In accordance with subsection 210(4) of the *Business Corporations Act* (Ontario) (the "Act") posted a notice of the appointment of the Liquidator in volume 150 issue 28 of the Ontario Gazette which was published on July 15, 2017. Attached hereto as **Appendix "C"** is a copy of the notice; and,
- r. Notified the commercial tenant and residential tenants of the appointment of the Liquidator, arranged for collection of monthly rent from all tenants, and communicated with the tenants to deal with garbage removal, pest control, and general maintenance of the Real Property.

V. SALE PROCESS

14. In its Pre-Filing Report the Liquidator outlined its proposed Sales Process. In accordance with the various provisions of the Appointment Order and, specifically, paragraph 4.A. the Liquidator undertook the following activities to market and sell the Real Property:

- a. Obtained listing proposals from two separate real estate agents licensed to sell mixed used commercial/residential real estate in Toronto;
- b. Entered into a listing agreement with Michael Switzer of Forest Hill Real Estate Inc. (the "**Realtor**") to act as agent to the Liquidator to sell the Real Property for the reasons set out in the Liquidator's Confidential Report;
- c. In consultation with the Realtor, determined that the Liquidator should not try and find a tenant for the second floor unit, as it would be best for the ultimate purchaser to make this decision. The third floor residential lease agreement as well as the first floor commercial lease agreement both extend beyond the date of this First Report and, therefore, the Liquidator was not tasked with either finding new tenants for these units or renewing the existing lease agreements during its appointment; and,
- d. Instructed the Realtor to list the property on MLS which it did on or around August 9, 2017. The listing price of the Real Property was \$1,998,000.

15. During the Sales Process, the Realtor received numerous enquiries from prospective purchasers and fifteen (15) prospective purchaser groups toured the Real Property.

16. During the Sales Process the Liquidator received four (4) offers from prospective purchasers. Details regarding the offers received and the negotiations undertaken by the Realtor and the prospective purchasers are contained in the Confidential First Report. As described in the Confidential First Report, the Liquidator ultimately entered into an agreement of purchase and sale with the one of the prospective purchasers, being the Purchaser.

17. The Liquidator is not aware of any non-arm's length relation between the Purchaser and the Company or its shareholders, and believes the Purchaser and the Company are not related persons within the meaning of the Act.

18. The Transaction is conditional upon this Honourable Court approving the Transaction and vesting in the Purchaser all of 2497486's right, title and interest in and to the Real Property free and clear of any encumbrances.

19. On or around October 17, 2017 the Liquidator provided each of the Shareholders, through their respective legal representatives, with confirmation of the quantum of the purchase price contained in the Purchase Agreement. As of the date of this First Report, the Liquidator has not received a response from the Shareholders, or their respective counsel, in respect of the Liquidator's disclosure to them of the purchase price.

VI. RECOMMENDATION IN RELATION TO THE PURCHASE AGREEMENT

20. The Liquidator recommends that this Honourable Court authorize and approve the Liquidator's completion of the Transaction contemplated by the Purchase Agreement and grant a vesting order in favour of the Purchaser for the following reasons:

- a. the process undertaken by the Liquidator to market and sell the Real Property as described above and in the Confidential First Report is consistent with:
 - i. the Sales Process outlined in the Pre-Filing Report; and,
 - ii. the provisions of the Appointment Order and, specifically, paragraph 4.A.
- b. as expanded upon in the Confidential First Report, in the Liquidator's opinion the Transaction represents the highest and best realization for the Real Property under the circumstances; and,
- c. it is the Liquidator's opinion that approval of the Purchase Agreement is fair and reasonable.

VII. OTHER ASSETS AND LIABILITIES OF THE COMPANY

Other Assets

Based on the financial statements prepared by ECPC for the fiscal year ended December 31, 2016, the Company's other assets consisted of a nominal amount of cash and prepayments as well as the Holdback which is recorded as a current asset in the amount of \$75,659. As noted above, the Holdback will be netted against the amount owing to Equitable Bank when the Real Property is sold and the Equitable Bank mortgage is paid.

Creditors secured against the Real Property

21. The Liquidator obtained a parcel register from Land Registry Office #66 for the Land Titles Division in respect of the Real Property dated October 4, 2017 (the "**Parcel Register**") which indicates, among other things, the following:

- a. 2497486 is the registered owner in fee simple of the Real Property;
- b. there is a charge registered against title to the Real Property in favour of Equitable Bank on December 30, 2015 in the amount of \$900,000 as Instrument No. AT4107054. Pursuant to the payout statement provided by Equitable Bank dated October 16, 2017, the balance to be paid to Equitable Bank at the time the Transaction closes is approximately \$817,000, which is net of the Holdback and includes a penalty of \$29,766 for breaking the mortgage early;
- c. there is a Notice of Assignment of Rents – General registered against title to the Real Property in favour of Equitable Bank on December 30, 2015 as Instrument No. AT4107055; and,
- d. The Appointment Order was registered against title to the Real Property on July 17, 2017 as Instrument No. AT4628906.

22. The Liquidator has conducted a search on the City of Toronto website Property Tax Lookup which indicated as at October 16, 2017 that the unpaid balance of

municipal property taxes was \$0 as at that date. Any balances owing to the City of Toronto for property tax will be paid in full on closing of the Transaction.

Personal Property

23. The Liquidator conducted a search pursuant to the *Personal Property Security Act* (Ontario) (“PPSA”) on October 2, 2017 (the “PPSA Search”) which identified, as of October 2, 2017, Equitable Bank as having registered a financing statement on December 31, 2015. The financing statement indicates that Equitable Bank claims a security interest against 2497486 in respect of inventory, equipment, accounts and other in the amount of \$900,000 pursuant to a General Assignment of Rents and a General Security Agreement with respect to the Real Property. There were no other creditors with registered security interests identified on the PPSA Search. Attached hereto as **Appendix “D”** is a copy of the PPSA Search.

Unsecured Creditors

24. Based on the Liquidator’s review of the Company’s financial information, the Liquidator believes that all unsecured creditors (excluding any direct or indirect claims of the shareholders of the Company) will be paid 100% of their claims against the Company from the proceeds of the Transaction.

VIII. CONFIDENTIAL REPORT OF THE LIQUIDATOR

25. The Liquidator has prepared a confidential report to its First Report dated October 18, 2017 (the “**Confidential First Report**”) which includes, among other things, the Purchase Agreement as well as two appraisals of the Real Property.

26. The Liquidator is seeking an Order sealing the Confidential First Report from the general public until the closing of the Transaction or further Court order, as it contains sensitive commercial information about the value of the Real Property, the release of which could negatively affect future marketing efforts should the Transaction not close.

27. For the reasons outlined in the Confidential First Report, the Liquidator is of the opinion that the proposed sale of the Real Property represents the highest and best

realization and is fair and reasonable to all stakeholders. Closing the Transaction also reduces the carrying costs and risks associated with the Real Property as outlined herein.

IX. PROPOSED CLAIMS SOLICITATION PROCESS

28. The Liquidator has developed the process set out below in order to identify any and all arm's length creditors with claims against 2497486 which arose prior to the date of the completion of the Transaction (collectively, the "**Claims**" or singularly, each "**Claim**"). The proposed claims solicitation process is substantially consistent with the process prescribed by the Act but dispenses with the meeting of creditors as no creditor's Claim is expected to be compromised or prejudiced. The Liquidator believes that the proposed claims solicitation process is efficient, expedient, fair and reasonable in the circumstances.

29. The Claims shall not include those obligations owing to creditors which were incurred by the Liquidator during its administration of the estate. These creditors shall be paid in the ordinary course of business by the Liquidator from the assets of the estate and they shall not be required to file a proof of claim with the Liquidator.

30. The process to identify and quantify the Claims of non-arm's length creditors, namely the Shareholders and companies controlled directly or indirectly by the Shareholders, shall be determined and reported to this Honourable Court at a later date.

31. The proposed process to be undertaken by the Liquidator upon the completion of the Transaction to identify the arm's length Claims is as follows:

- a. Publish a notice in the National Post and the Toronto Star, describing the Claims Solicitation Process and advising all creditors of 2497486 that the deadline for submissions of proof of their Claim is January 19, 2018 at 5:00 p.m. Eastern Standard Time (the "**Claims Bar Date**");
- b. Send via ordinary mail, electronic mail or facsimile, which method shall be at the sole and unfettered discretion of the Liquidator, to all known creditors of

2497486 (as either identified by the Liquidator during these proceeding or as contained in the Company's books and records) a proof of claim form to be sworn by the creditor under oath as well as instructions regarding the proper completion of the proof of claim form (together the "**Proof of Claim Document Package**");

- c. Cause the Proof of Claim Document Package to be posted on the Liquidator's website from forthwith following completion of the Transaction until one business day after the Claims Bar Date.
- d. The Liquidator will review all proofs of claim delivered to the Liquidator prior to the Claims Bar Date and shall accept, revise or reject each Claim. If the Liquidator disputes a Claim in whole or in part, the Liquidator may:
 - i. attempt to consensually resolve the quantum of the disputed Claim with the respective creditor; or,
 - ii. if the quantum of the disputed Claim cannot be resolved consensually, send a Notice of Revision or Disallowance to the creditor with the disputed Claim by no later than twenty-one (21) days after the Claims Bar Date;
- e. Any creditor who receives a Notice of Revision or Disallowance and who objects to same shall deliver to the Liquidator a Notice of Dispute within fifteen (15) days of the issuance of the Notice of Revision or Disallowance. If a creditor receives a Notice of Revision or Disallowance and does not file a Notice of Dispute by the deadline noted above the value of such creditors Claim shall be deemed to be as set out in the Notice of Revision or Disallowance;
- f. Any creditor who delivers a Notice of Dispute to the Liquidator by the above noted deadline shall, not less than fifteen (15) days after the service of the Notice of Dispute for determination of the Claim in dispute, unless otherwise agreed by the Liquidator in writing, serve on the Liquidator, and file in the

court, a Notice of Motion returnable on a date to be fixed by the court, but in any event, no later than thirty (30) days from the date of the issuance of the Notice of Revision or Disallowance, failing which the value of such creditor's Claim shall be deemed to be set out in the applicable Notice of Revision or Disallowance;

- g. Any Claim that is not received by the Claims Bar Date will be forever barred and extinguished;
- h. All Claims received and accepted by the Liquidator prior to the Claims Bar Date shall be considered "Accepted Claims". Accepted Claims shall be paid by the Liquidator from the assets of the estate of the Company after the expiry of the Claims Bar Date; and,
- i. Claims denoted in foreign currency are to be converted to Canadian Dollars as at November 23, 2017 (the anticipated closing date of the Transaction) using the Bank of Canada spot rate.

(collectively, the "**Claims Solicitation Process**")

32. The Liquidator is requesting that this Honourable Court approve the proposed Claims Solicitation Process.

33. Subsequent to the completion of the proposed Claims Solicitation Process, if approved by this Honourable Court, the Liquidator will report back to the Court on the outcome, including details regarding the accepted, revised and rejected Claims received by the Liquidator.

X. LIQUIDATOR'S INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS AS AT OCTOBER 17, 2017 ("INTERIM R&D")

34. Attached hereto at **Appendix "E"** is the Liquidator's Interim R&D as at October 17, 2017.

35. As set out in the R&D, Abbas Mohammad advanced \$50,000 to the Liquidator prior to the date of the Appointment Order in order to fund interim disbursements of the Liquidator. Furthermore, Mr. Abbas Mohammad has provided the Liquidator with a guarantee of its fees and disbursements in these proceedings up to a maximum amount of \$50,000 (the “**Guarantee**”).

XI. ACCOUNTS OF THE LIQUIDATOR AND ITS COUNSEL

36. Attached hereto as **Appendix “F”** is the Affidavit of Tom McElroy regarding the Liquidator’s fees to October 17, 2017 accompanied by the supporting time dockets (the “**Liquidator’s Fees**”).

37. Attached hereto as **Appendix “G”** is the Affidavit of Dov Tal regarding the fees and disbursements of Kronis, Rotsztain, Margles, Cappel LLP (“**KRMC**”) to October 17, 2017 accompanied by the supporting time dockets.

38. The Liquidator believes that its fees and disbursements, as well as the fees and disbursements of its counsel, KRMC, are fair and reasonable.

XII. LIQUIDATOR’S REQUEST FOR APPROVAL

39. The Liquidator respectfully requests an Order of this Honourable Court:

- a. approving this First Report and the Confidential First Report of the Liquidator, as well as the actions and activities of the Liquidator described herein, including the Interim R&D;
- b. approving and authorizing the Liquidator to carry out the terms of the Transaction and Purchase Agreement;
- c. vesting in the Purchaser, all right, title and interest in and to the Real Property;
- d. approving and authorizing the Liquidator to implement the Claims Solicitation Process;

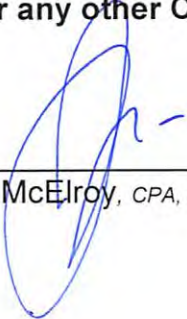
- e. sealing the Confidential First Report until the Transaction has been completed and the funds are received by the Liquidator;
- f. approving the fees and disbursements of the Liquidator to October 17, 2017;
- g. approving the fees and disbursements of the Liquidator's counsel, Kronis, Rotsztain, Margles, Cappel LLP, to October 17, 2017; and,
- h. providing for such further and other relief as this Honourable Court may deem just.

* * *

All of which is respectfully submitted this 18th day of October, 2017.

**ALBERT GELMAN INC., solely in its
capacity as the Court-Appointed Liquidator
of 2497486 Ontario Ltd. and not in its
Personal or any other Capacity**

Per:



Tom McElroy, CPA, CA, CBV, CIRP, LIT

APPENDIX F

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
*Ontario Business Corporations Act, R.S.O., Chapter B-16***

ABBAS MOHAMMAD

Applicant

- and -

**STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.**

Respondents

**CONFIDENTIAL FIRST REPORT OF ALBERT GELMAN INC.
IN ITS CAPACITY AS COURT-APPOINTED LIQUIDATOR**

(Dated October 18, 2017)

I. INTRODUCTION

1. This is the Confidential First Report to Court of Albert Gelman Inc. ("**AGI**") acting in its capacity as Court-appointed Liquidator (the "**Liquidator**") of 2497486 Ontario Inc. ("**2497486**" or the "**Company**").

II. PURPOSE

2. This Confidential First Report was prepared by the Liquidator to provide additional information and documents, not otherwise included in the Liquidator's first report to the Court dated October 18, 2017 (the "**First Report**"), in respect of the Transaction (as defined in the First Report). The Liquidator believes that the information contained herein is commercially sensitive in nature, the release of which could

negatively affect future marketing efforts should the Transaction not close and, therefore, this information was not included in the First Report

3. Any terms not otherwise defined in this report shall have the meanings ascribed to them in the First Report.

4. Further to the reasons stated above, the purpose of this Confidential First Report is to provide the Court with the following:

- a) the independent appraisal of the Real Property prepared by Mpire Real Estate and Consultants Limited as of July 13, 2017 dated July 20, 2017 (the "**Appraisal**"). The Appraisal is attached hereto as **Appendix "A"**.
- b) details regarding the offers received by the Liquidator for the purchase the Real Property, which offers are summarized at **Appendix "B"**;
- c) details of the negotiations that took place between the Purchaser and the Realtor (defined below) with respect to the Transaction;
- d) the Purchase Agreement (defined below), attached as **Appendix "C"**;
- e) the Liquidator's recommendation in respect of the Purchase Agreement.

III. OFFERS RECEIVED

5. As noted in the First Report, the Real Property was listed on the MLS on or around August 9, 2017, by the realtor retained by the Liquidator, Mr. Michael Switzer of Forest Hill Real Estate Inc. (the "**Realtor**"). As further noted in the First Report, the listing price was \$1,998,000 which was determined based on the Appraisal as well as the Realtors' opinion about current market conditions.

6. During the Sales Process the Liquidator received offers from four (4) prospective purchasers. As noted above, a summary of these offers is attached hereto as Appendix "B". Each of the offers is described in further detail below.

Joseph Stefan Angellotti and Joseph Nicolas Angellotti, In Trust

7. The Liquidator received this offer on August 14, 2017. This offer contemplated a purchase price of \$1,998,000 with a deposit of \$50,000 (approximately 2.5% of the offer amount) and a closing date of November 27, 2017. This offer was conditional on, among other things, granting the prospective purchaser an exclusive period of twenty (20) business days (approximately one calendar month) to conduct its due diligence.

8. The Liquidator signed back this offer on August 15, 2017 increasing the deposit to \$100,000, modifying the due diligence period to 5 business days and requesting a closing date in September 2017.

9. This prospective purchaser did not sign back the offer.

Christopher Hans Bauer, In Trust

10. The Liquidator received this offer on August 16, 2017. This offer contemplated a purchase price of \$1,800,000 with a deposit of \$100,000 (approximately 5.5% of the offer amount) and a closing date of October 2, 2017. This offer was conditional on, among other things, granting the prospective purchaser an exclusive period of ten (10) business days to conduct its due diligence.

11. The offer amount of \$1,800,000 was \$198,000 (approximately 10%) below the listing price.

12. The Liquidator signed back this offer on August 19, 2017 at \$1,998,000 and it received a further sign back of \$1,800,000 from the prospective purchaser, which was the prospective purchaser's original offer.

13. The Liquidator did not sign back this offer at that time given that the offer amount was approximately 10% below the listing price.

Elia Mazzawi, In Trust

14. The Liquidator received this offer on August 31, 2017. This offer contemplated a purchase price of \$1,910,000 with a deposit of \$200,000 (approximately 10.5% of the offer amount) and a closing date of October 18, 2017. This offer was conditional on,

among other things, granting the prospective purchaser an exclusive period of twelve (12) calendar days to conduct its due diligence.

15. The Liquidator received a revised offer from this prospective purchaser on September 1, 2017 wherein the prospective purchaser increased the offer amount to \$1,950,000 as a result of the verbal negotiations between the prospective purchaser and the Realtor, on behalf of the Liquidator. The Liquidator signed back this offer on September 2, 2017 thereby granting the prospective purchaser with six (6) business days to complete its due diligence.

16. On September 12, 2017, the due diligence period was completed and all of the prospective purchasers conditions to this offer were waived resulting in a firm agreement. This agreement is discussed in further detail below.

Edward James King and Nancy Ngo, In Trust

17. The Liquidator received this offer on September 1, 2017. This offer contemplated a purchase price of \$1,960,000 with a deposit of \$100,000 (approximately 5% of the offer amount) and a closing date of November 15, 2017. This offer was conditional on, among other things, granting the prospective purchaser an exclusive period of fifteen (15) business days to conduct its due diligence as well as the prospective purchaser being able to obtain the necessary financing in order to purchase the Real Property.

18. Given the uncertainty associated with the conditions attached to this offer, as well as the fact that the Liquidator was close to finalizing an agreement with the Purchaser (defined below), the Liquidator did not pursue this offer further.

IV. ACCEPTANCE OF OFFER

19. The Liquidator ultimately accepted the revised offer it received from Elia Mazzawi, In Trust (the "**Purchaser**") on September 1, 2017 (the "**Mazzawi Offer**") and, on September 12, 2017 the agreement of purchase and sale with the Purchaser including an Amendment to Agreement of Purchase and Sale executed on September 12, 2017 (collectively, the "**Purchase Agreement**") became a binding agreement. The

Purchase Agreement is conditional upon the Liquidator obtaining an order approving the Transaction and vesting in the Purchaser the Real Property free and clear of any and all encumbrances in the form included with the Liquidator's motion record (the "**Approval and Vesting Order**").

20. Upon acceptance of the Mazzawi Offer the Realtor received the deposit of \$200,000 from the Purchaser which is currently being held in the Realtor's trust account.

21. The Mazzawi Offer is conditional only upon this Honourable Court granting the Approval and Vesting Order.

22. On October 3, 2017, the Purchaser's lawyer advised the Liquidator's lawyers that title is to be vested in "Modern City Real Estate Investment Trust Company Ltd."

23. In the Liquidator's opinion, the offer from the Purchaser represents the highest and best net realizable value for the Real Property in the circumstances for the reasons noted later in this Confidential First Report.

V. APPRAISALS

24. The Liquidator obtained an independent appraisal of the Real Property as noted above.

Purchase Price vs. Appraised Value

25. The current market value of the Real Property pursuant to the Appraisal was \$1,990,000. As noted above, the selling price of the Real Property pursuant to the Purchase Agreement is \$1,950,000. The Liquidator is of the opinion that the selling price of the Real Property is not materially different from the value set out in the Appraisal.

York Simcoe Appraisal

26. Prior to the appointment of the Liquidator an appraisal of the Real Property was commissioned by FIJ Law LLP, counsel for the Respondents (excluding 2497486). This appraisal was provided to the Liquidator as well as each of the Shareholders.

27. The appraisal commissioned by FIJ Law LLP was prepared by York Simcoe Appraisal Corporation as of May 23, 2017 and was dated May 25, 2017 (the "**York Simcoe Appraisal**"). Pursuant to the York Simcoe Appraisal, as of May 23, 2017 the current market value of the Real Property was \$1,900,000. A copy of the York Simcoe Appraisal is attached hereto as **Appendix "D"**.

28. The selling price of the Real Property is \$50,000 higher than the market value of the Real Property as indicated in the York Simcoe Appraisal;

VI LIQUIDATOR'S OPINION AND RECOMMENDATION

29. In the Liquidator's opinion, the selling price of \$1,950,000 represents the highest and best net realizable value for the Real Property.

30. The Liquidator believes that its acceptance of the Purchase Agreement is fair and reasonable for the following reasons:

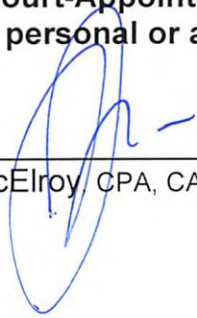
- a) The quantum of the selling price is reasonable given the appraised values of the Real Property;
- b) The Real Property was exposed to the market for a sufficient period of time and, therefore, the selling price represents fair market value; and,
- c) Subject to obtaining Court Approval of the Transaction, the Liquidator anticipates closing the Purchase Agreement on November 23, 2017, which reduces the costs, inherent risks and exposures associated with maintaining possession and control of the Real Property.

31. Based on the foregoing, the Liquidator has accepted the Purchaser Agreement, conditional on the Liquidator obtaining an Approval and Vesting Order substantially in the form included with this motion record.

All of which is respectfully submitted this 18th day of October, 2017.

**ALBERT GELMAN INC., solely in its
capacity as Court-Appointed Liquidator of 2497486 Ontario Ltd.
and not in its personal or any other capacity**

Per:



Tom McElroy, CPA, CA, CBV, CIRP, LIT

APPENDIX G

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**
Ontario Business Corporations Act, R.S.O., Chapter B-16

THE HONOURABLE)
JUSTICE)
HAINES)

MONDAY, THE 30TH
DAY OF OCTOBER, 2017

ABBAS MOHAMMAD

Applicant

- and -

**STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.**

Respondents

**ORDER
(Claims Solicitation Procedure and Bar Order)**

THIS MOTION, made by Albert Gelman Inc. in its capacity as court-appointed liquidator (the “**Liquidator**”) without security, of all of the assets, undertakings and properties of 2497486 Ontario Ltd.. (the “**Company**”) for, among other things, an order approving and establishing a procedure for the identification, resolution and barring of certain claims against the Company was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the First Report of the Liquidator dated October 18, 2017, the Confidential First Report of the Liquidator dated October 18, 2017, and on hearing the submissions of the lawyers for the Liquidator, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Kelly Barrett sworn October 19, 2017, filed:

DEFINITIONS

1. THIS COURT ORDERS that the following terms in this Order shall have the following meanings ascribed to them:

- (a) “**Appointment Order**” means the Order of Madam Justice Conway dated June 20, 2017 in the OBCA Proceeding;
- (b) “**Business Day**” means a day which is not: (a) a Saturday or a Sunday; or (b) a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable in the Province of Ontario;
- (c) “**Claim**” means (i) any right or claim of any Person that may be asserted or made in whole or in part against the Company, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest that may accrue thereon in which there is an obligation to pay, and costs which such Person would be entitled to receive pursuant to the terms of any contract with such Person at law or in equity, any right of ownership of or title to property or assets or to a trust or deemed trust (statutory or otherwise) against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which exist prior to the Completion Date, together with any other rights or claims, whether or not asserted, made after the Completion Date, in any way, directly or indirectly related to any action taken or power exercised prior to the Completion Date; and (ii) any Tax Claim, and does not include an Excluded Claim;

- (d) **“Claims Bar Date”** means 5:00 p.m. (Eastern Standard Time) on January 19, 2018, or such later date as may be ordered by this Court;
- (e) **“Claims Procedure”** means the claims solicitation procedure and schedules set out herein, as may be amended from time to time;
- (f) **“Completion Date”** means the date on which the Liquidator delivers the Liquidator’s Certificate to the Purchaser, as those terms are defined in the Approval and Vesting Order dated October 30, 2017 and issued in the OBCA Proceeding;
- (g) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (h) **“Creditor”** means any Person having a Claim and, if the context requires, an assignee or transferee of a Claim or a trustee, receiver, receiver-manager or other Person acting on behalf of such Person;
- (i) **“Designated Newspapers”** means the National Post (National Edition) and the Toronto Star;
- (j) **“Dollars”** or **“\$”** means lawful money of Canada unless otherwise indicated;
- (k) **“Excluded Claim”** means, subject to further order of this Court, (a) any claims of the Liquidator and its counsel; (b) any claims of the applicant, Abbas Mohammad and the respondents, Stephen Celestial and Mustafa Ismael, or claims of any corporation controlled by any one of them, against the Company; and (c) any claims for amounts due for goods or services actually supplied to the Company on or after the Completion Date; and,
- (l) **“Instruction Letter”** means the instruction letter to Creditors, in substantially the form attached hereto as **Schedule “A”**, regarding completion of a Proof of Claim;

- (m) **“Newspaper Notice”** means the notice of this Order to be published in the Designated Newspapers in accordance with paragraph 5 of this Order in substantially the form attached hereto as **Schedule “D”**;
- (n) **“Notice of Revision or Disallowance”** means the notice substantially in the form attached hereto as **Schedule “C”**;
- (o) **“Notice of Dispute”** means a notice given by a Creditor to the Liquidator advising the Liquidator of the Creditor’s objection to the Liquidator’s Notice of Revision or Disallowance;
- (p) **“OBCA”** means the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;
- (q) **“OBCA Proceeding”** means the proceedings before the Court in respect of the application by the applicant commenced pursuant to the OBCA;
- (r) **“Order”** means any order of the Court in connection with the OBCA Proceeding;
- (s) **“Person”** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (t) **“Proof of Claim”** means the form to be completed and filed by a Creditor setting forth its proposed Claim, substantially in the form attached hereto as **Schedule “B”**;
- (u) **“Proof of Claim Document Package”** means a document package which shall include a copy of the Instruction Letter, a Proof of Claim, and such other materials as the Liquidator may consider appropriate or desirable;
- (v) **“Tax”** or **“Taxes”** means any and all amounts subject to a withholding or remitting obligation and any and all taxes, duties, fees and other governmental charges, duties, impositions and liabilities of any kind whatsoever whether or not assessed by the Taxing Authorities (including any Claims by any of the Taxing Authorities),

including all interest, penalties, fines, fees, other charges and additions with respect to such amount;

- (w) **“Taxing Authorities”** means Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing authority of each and every province or territory of Canada and any political subdivision thereof, and any Canadian or foreign governmental authority, and **“Taxing Authority”** means any one of the Taxing Authorities; and,
- (x) **“Tax Claim”** means any Claim against the Company for any Taxes in respect of any taxation year or period ending on or prior to the date of the Completion Date, for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the Completion Date, and up to and including the Completion Date.

NOTICE OF CLAIMS

2. THIS COURT ORDERS that the Liquidator is authorized and directed to send a copy of the Proof of Claim Document Package to each Creditor that it is aware of and the Canada Revenue Agency and any similar revenue or Taxing Authority in Ontario, by ordinary mail, e-mail or facsimile transmission, which method shall be at the sole and unfettered discretion of the Liquidator, as soon as is practicable after the Completion Date.

3. THIS COURT ORDERS that the Liquidator shall cause the Proof of Claim Document Package to be posted on the Liquidator’s website, as soon as is practicable after the Completion Date, until the expiry of the Claims Procedure.

4. THIS COURT ORDERS that the Liquidator shall dispatch by ordinary mail, courier or e-mail, as soon as practicable, following receipt of a request therefore, a copy of the Proof of Claim Document Package to any Person claiming to be a Creditor and requesting such material.

PUBLICATION OF NEWSPAPER NOTICE

5. THIS COURT ORDERS that as soon as practicable after the Completion Date, the Newspaper Notice shall be published by the Liquidator in the Designated Newspapers.

6. THIS COURT ORDER that the Newspaper Notice be and is hereby approved.

NOTICE SUFFICIENT

7. THIS COURT ORDERS that the publication of the Newspaper Notice and the mailing to the Creditors of the Proof of Claim Document Package in accordance with the requirements of this Order shall constitute good and sufficient service and delivery of notice of this Order and the Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert Claims and that no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Order.

FILING OF PROOFS OF CLAIM

8. THIS COURT ORDERS that, except as otherwise provided herein, each Creditor that asserts a Claim against the Company shall file a written Proof of Claim so as to be received by the Liquidator on or before the Claims Bar Date, by registered mail, personal delivery, courier, facsimile transmission or e-mail.

9. THIS COURT ORDERS that a Proof of Claim shall be deemed timely filed only if mailed or delivered by registered mail, personal delivery, courier, facsimile transmission or e-mail so as to be actually received by the Liquidator on or before the Claims Bar Date.

CLAIMS BAR

10. THIS COURT ORDERS that any Creditor that does not file a Proof of Claim in respect of a Claim in accordance with this Order on or before the Claims Bar Date, shall: (a) be forever barred, estopped and enjoined from asserting or enforcing any Claim (or filing a Proof of Claim with respect to such Claim) against the Company and such Claim shall be forever extinguished;

(b) not be entitled to participate in or receive any distribution in the OBCA Proceeding on account of any such Claim; and (c) shall not be entitled to notice of any further matters in the OBCA Proceeding.

DETERMINATION OF CLAIMS

11. THIS COURT ORDERS that the Liquidator shall review each Proof of Claim received by the Claims Bar Date, and shall either accept, revise or reject the amount claimed for purposes of distribution.

12. THIS COURT ORDERS that if the Liquidator disputes the amount of a Claim set forth in a Proof of Claim, the Liquidator may attempt to consensually resolve the amount of the Claim with the Creditor, and/or send a Notice of Revision or Disallowance to the Creditor by no later than 21 days after the Claims Bar Date.

13. THIS COURT ORDERS that if the Liquidator does not deliver a Notice of Revision or Disallowance in accordance with this Order, with respect to the value of a Claim, then, subject to further order of this Court, such a Proof of Claim shall be deemed to be accepted as final and binding.

14. THIS COURT ORDERS that any Creditor who receives a Notice of Revision or Disallowance and who objects to same, shall deliver to the Liquidator a Notice of Dispute within 15 days of the issuance of the Notice of Revision or Disallowance, or, if the Creditor does not deliver the Notice of Dispute within such time, the value of such Creditor's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance.

15. THIS COURT ORDERS that any Creditor who delivers a Notice of Dispute to the Liquidator in accordance with this Order, shall, unless otherwise agreed by the Liquidator in writing, by no later than 5:00 p.m. on the day that is 15 days after the service of the Notice of Dispute, serve, and file with this Court, a Notice of Motion seeking to appeal the Liquidator's determination, returnable on a date to be fixed by this Court, and in any event, no later than 30 days from the date of the service of the Notice of Dispute. If an appeal is not filed within such

period, then the Notice of Revision and Disallowance shall, subject to further order of this Court, be deemed to be final and binding.

16. THIS COURT ORDERS that Excluded Creditors shall not be required to participate in the Claims Procedure in respect of their Excluded Claims. The Monitor will not review or consider any Proof of Claim filed in respect of an Excluded Claim.

GENERAL PROVISIONS

17. THIS COURT ORDERS that the Liquidator is authorized to use reasonable discretion as to adequacy of compliance with respect to the manner in which Proofs of Claim and Notices of Revision or Disallowance are completed and executed, and may, where the Liquidator is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure as to completion and execution of Proofs of Claim or Notices of Revision or Disallowance.

18. THIS COURT ORDERS that any document to be sent to any Creditor or Person pursuant to this Claims Procedure may be sent by e-mail, ordinary mail, registered mail, courier or facsimile transmission to the address last shown on the books and records of the Company or whatever specific formal address has been provided to the Liquidator either through counsel or directly. A Creditor or Person shall be deemed to have received any document sent pursuant to this Claims Procedure five (5) business days after such document is sent by ordinary mail or registered mail and one business day after such document is sent by e-mail, courier or facsimile transmission.

19. THIS COURT ORDERS that any notice or other communication to be given under this Order by a Creditor to the Liquidator shall be in writing in substantially the form, if any, provided for in this Order, and will be sufficiently given only if delivered by registered mail, courier, personal delivery, facsimile transmission, or e-mail addressed to:

**Albert Gelman Inc. in its capacity as court-appointed liquidator
of 2497486 Ontario Ltd.**

100 Simcoe Street

Suite 125

Toronto, ON M5H 3G2

Attention: Tom McElroy

Phone: 416.504-1650 ext. 117

Fax: 416.504.1655

Email: tmcelroy@albertgelman.com.

20. THIS COURT ORDERS that the following Schedules form part of this Order:

- (a) **Schedule "A"** - Instruction Letter
- (b) **Schedule "B"** - Proof of Claim
- (c) **Schedule "C"** - Notice of Revision or Disallowance
- (d) **Schedule "D"** - Newspaper Notice

21. THIS COURT ORDERS that, notwithstanding the terms of this Order, the Liquidator may apply to this Court from time to time for such further order or orders as it considers necessary or desirable to amend, supplement or replace this Order.

AID AND ASSISTANCE OF OTHER COURTS

22. THIS COURT HEREBY REQUESTS the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province or any court or any judicial, regulatory or administrative body of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

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Schedule “A” – INSTRUCTION LETTER

A. Claims Procedure

By Order of the Honourable Justice _____ dated October 30, 2017, (the “**Claims Solicitation Procedure and Bar Order**”), which is attached hereto, under the *Ontario Business Corporations Act* (the “*OBCA*”) the Liquidator has been authorized to conduct a claims solicitation procedure (“**Claims Procedure**”) in respect of all claims against 2497486 Ontario Ltd. (the “**Company**”).

The letter provides instructions for responding to or completing the Proof of Claim. Defined terms, which are not defined herein, shall have the meaning ascribed thereto in the Claims Solicitation Procedure and Bar Order.

The Claims Procedure is intended for any Person with any Claims of any kind or nature whatsoever, against the Company on or prior to [*date of completion of sale transaction*], unliquidated, contingent or otherwise.

If you have any questions regarding the Claims Procedure, please contact the Liquidator at the address provided below.

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

Albert Gelman Inc., Court Appointed Liquidator of 2497486 Ontario Ltd.
100 Simcoe Street, Suite 125
Toronto, ON M5H 3G2
Attention: Tom McElroy
Phone: (416) 504-1650 Ext. 117
Fax: (416) 504-1655
Email: tmcelroy@albertgelman.com

B. General Instructions for Completing the Proof of Claim

The Proof of Claim must be completed by an individual, or an individual acting on behalf of a corporation. The individual acting for a corporation or other person must state the capacity in which he/she is acting, such as “Credit Manager”, “Treasurer”, “Authorized Agent”, etc. The individual completing the Proof of Claim must have knowledge of the circumstances connected with the Claim. All Proofs of Claim must be sworn and dated before a duly appointed Commissioner of Oaths or Notary public. The full legal name of the Creditor must be filled out in its entirety. Creditors who file a Proof of Claim by a division, or who file several Proofs of Claim by divisions, may have their Proof of Claim disallowed. Only one Proof of Claim may be

filed per legal entity notwithstanding that separate divisions or operating units of a Creditor may have separate Claims against the Company.

A Statement of Account containing full details of the Claim must be attached to the Proof of Claim. The Proof of Claim should include all amounts owing by the Company before [*date of completion of sale transaction*]. These Claims shall be reduced by the amount of any subsequent payment thereon, the application of any volume or other discounts in respect thereof and any other subsequent credits that are properly applicable against such Claims.

For Claims made in respect of debts owing as a result of advances or loans to, or investments made in the Company, submitted with the Proof of Claim must be proof of all advances made to, and all payments received from or on account of any of the Company. Including copies of all cheques, money orders, drafts, wire transfers, etc. advances and received, as well as copies of any promissory notes or other loan or investment documentation evidencing the debt owing.

If the Creditor holds security for the indebtedness, a statement of the value and nature of the security must accompany the Proof of Claim, as must a copy of the agreement granting security.

If the Creditor holds a contingent or unliquidated Claim, the details of any guarantee giving rise to such contingent or unliquidated Claim, or reasons for the Claim must be provided in addition to the basis upon which the Claim has been valued.

If the Claim or a portion thereof has been sold or assigned, the name of the party purchasing the Claim, the amount of the Claim sold or assigned, as well as supporting documentation, must be attached to the Proof of Claim submitted. The Proof of Claim can be completed by either the original Creditor or by the assignee, but not both. Creditors and assignee(s) must determine amongst themselves who will file the Proof of Claim.

C. For Creditors Submitting a Proof of Claim

If you believe that you have a Claim against the Company you will have to file a Proof of Claim with the Liquidator. ***THE PROOF OF CLAIM MUST BE RECEIVED BY 5:00 P.M. (EASTERN STANDARD TIME) ON OR BEFORE JANUARY 19, 2018,*** unless the Court orders otherwise (the “**Claims Bar Date**”).

Additional Proof of Claim forms can be obtained by contacting the Liquidator at the telephone and fax numbers indicated above and providing particulars as to your name, address and facsimile number. Once the Liquidator has this information, you will receive, as soon as practicable, additional Proof of Claim Forms.

SCHEDULE "B" - PROOF OF CLAIM

Proof of Claim

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim form. Defined terms not defined within this Proof of Claim form shall have the meaning ascribed therein.

A. PARTICULARS OF THE CREDITOR:

(1) Full Legal Name of Creditor (include trade name, if different):

.....
.....

(the "**Creditor**"). The full legal name should be the name of the Creditor of 2497486 Ontario Ltd. (the "**Company**"), notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred prior to or following *[date of completion of sale transaction]*.

(2) Full Mailing Address of Creditor: (The mailing address should be the mailing address of the Creditor and not any assignee)

.....
.....

(3) Telephone Number of Creditor:

(4) Facsimile Number of Creditor:

(5) E-mail Address of Creditor:

(6) Attention (Contact Person):

Has the claim set out herein been sold, transferred or assigned by the Creditor to another party?

Yes: [] No: []

B. PARTICULARS OF THE ASSIGNEE(S) (IF APPLICABLE)

If the Claim set out herein has been sold, transferred or assigned, complete the required information set out below. If there is more than one assignee, please attach a separate sheet which contains all of the required information set out below for each assignee.

(1) Full Legal Name of the Assignee:

.....
.....

(2) Full Mailing Address of the Assignee:

.....
.....

(3) Telephone Number of Creditor:

(4) Facsimile Number of Creditor:

(5) E-mail Address of Creditor:

(6) Attention (Contact Person):

C. PROOF OF CLAIM

THE UNDERSIGNED HEREBY MAKES OATH AND SAYS AS FOLLOWS:

(1) That I:

am a Creditor of the Company; or *(if applicable)*

am

.....

(state position or title)

of

.....

(Name of Creditor)

- (2) That I have knowledge of all of the circumstances connected with the Claim described and set out below:
- (3) The Claim seeks payment of \$..... [Insert \$ value of claim] CAD in the Company on account of principal and on account of interest [Provide particulars of interest claim and calculation of same]
- (4) The Creditor has received [Insert \$ in Canadian Dollars regardless of whether amount received was from repayment of principal owing pursuant to the Claim or return on principal or interest from, or on an account of the Company in conjunction with the Claim]

NOTE: Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as of [date of completion of sale transaction].

D. PARTICULARS OF CLAIM

Other than as already set out herein, the particulars of the undersigned's total Claim against the Company are attached on a separate sheet.

Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s), copies of cheques, bank draft, money orders, wire transfers, etc., loan documents, promissory notes or other agreement(s) giving rise to the Claim and particulars of any Claim.

SWORN BEFORE ME at the _____)
 _____, in the _____)
 Province of _____)
 this ____ day of _____, 2017)

 A Commissioner , or Notary Public, etc.

Name of Deponent:

D. FILING OF CLAIM

This Proof of Claim form must be received by the Liquidator by no later than 5:00 p.m. (Eastern Standard time) on **January 19, 2018**, by either registered mail, personal delivery courier, facsimile transmission or email at the following address:

Albert Gelman Inc., Court Appointed Liquidator of 2497486 Ontario Ltd.
100 Simcoe Street, Suite 125
Toronto, ON M5H 3G2
Attention: Tom McElroy
Phone: (416) 504-1650 Ext. 117
Fax: (416) 504-16555
Email: tmcelroy@albertgelman.com

Failure to file your Proof of Claim and any required documentation as directed in relation to any Claim by 5:00 p.m. (Eastern Standard Time) on January 19, 2018 will result in your Claim being forever barred and extinguished and you will be prohibited from making or enforcing a Claim against the Company and shall not be entitled to further notice or distribution, if any, and shall not be entitled to participate as a Creditor in these proceedings.

SCHEDULE "C" - NOTICE OF REVISION OR DISALLOWANCE

Notice of Revision or Disallowance

Name of Creditor: _____

Reference #: _____

Defined terms not defined within this Notice of Revision or Disallowance form have the meaning ascribed thereto in the Order of Justice _____ dated October 30, 2017 (the "**Claims Solicitation Procedure and Bar Order**"). Pursuant to paragraphs 11 through 15 of the Claims Solicitation Procedure and Bar Order, Albert Gelman Inc., in its capacity as Liquidator of 2497486 Ontario Ltd., hereby gives you notice that it has reviewed your Proof of Claim and has revised or rejected your Claim as follows:

A) Revision or Disallowance:

	Proof of Claim as Submitted	The Revised Claim as Accepted
Claim arising prior to [date of completion of sale transaction]		

B) Reason for Revision or Disallowance:

IF YOU DO NOT AGREE WITH THIS NOTICE OF REVISION OR DISALLOWANCE, PLEASE TAKE NOTICE OF THE FOLLOWING:

1. You must deliver to the Liquidator a notice of your objection to the Notice of Revision or Disallowance ("Notice of Dispute") within 15 days of the issuance of the Notice of Revision or Disallowance;
2. If you do not serve the Notice of Dispute within such time, the value of your Claim shall be deemed to be as set out in the Notice of Revision or Disallowance.
3. Following the service of the Notice of Dispute, you must, unless otherwise agreed by the Liquidator in writing, by no later than 5:00 p.m. on the day that is 15 days after the service of the Notice of Dispute, serve, and file with the Court, a Notice of Motion seeking to appeal the Liquidator's determination, returnable on a date to be fixed by the

Court, and in any event, no later than 30 days from the date of the service of the Notice of Dispute.

4. If an appeal is not filed within such period, then the Notice of Revision and Disallowance shall, subject to further order of this Court, be deemed to be final and binding.

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIODS, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU FOR DISTRIBUTION PURPOSES.

DATED this _____ day of _____, 2017.

ALBERT GELMAN INC.,

in its capacity as Court Appointed Liquidator of
2497486 Ontario Ltd. and not in its personal
capacity

Per:

TOM MCELROY

100 Simcoe Street, Suite 125

Toronto, ON M5H 3G2

Phone: (416) 504-1650 Ext. 117

Fax: (416) 504-16555

Email: tmcelory@albertgelman.com

SCHEDULE “D” – NEWSPAPER NOTICE**2497486 ONTARIO LTD.**

On June 20, 2017, Albert Gelman Inc. (“AGI”) was appointed, pursuant to an order made by the Ontario Superior Court of Justice (the “Court”), as Liquidator of 2497486 Ontario Ltd. (the “Company”).

By Order of the Court dated October 30, 2017 (the “Claims Solicitation Procedure and Bar Order”), a process was established in order for creditors to prove claims against the Company in existence as at *[date of completion of sale transaction]*. In accordance with the Claims Solicitation Procedure, the Liquidator is authorized and directed to send a copy of the Proof of Claim Document Package to each Creditor. Any Creditor who does not receive a Proof of Claim form may obtain this form on the Liquidator’s website, <insert link> or by contacting the Liquidator using the contact information set out below.

Creditors must complete and deliver the Proof of Claim form to the Liquidator by **no later than 5:00 p.m. (Eastern Standard Time) on January 19, 2018** or such later date as ordered by the Court (the “Claims Bar Date”).

IF YOUR PROOF OF CLAIM IS NOT RECEIVED BY THE LIQUIDATOR BY THE CLAIMS BAR DATE, YOUR CLAIM AGAINST THE COMPANY WILL BE FOREVER BARRED AND EXTINGUISHED.

Contact information of the Liquidator

Albert Gelman Inc., Court Appointed Liquidator of 2497486 Ontario Ltd.
100 Simcoe Street, Suite 125
Toronto, ON M5H 3G2
Attention: Tom McElroy
Phone: (416) 504-1650 Ext. 117
Fax: (416) 504-16555
Email: tmcelroy@albertgelman.com

Dated at Toronto, this _____ day of _____, 2017

ABBAS MOHAMMAD

Applicant

-and-

**STEPHEN CELESTIAL, MUSTAFA ISMAEL AND 2497486
ONTARIO LTD.**
Respondents

Court File No. CV-17-11740-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

**CLAIMS SOLICITATION PROCEDURE
AND BAR ORDER**

**KRONIS, ROTSZTAIN,
MARGLES, CAPPEL LLP**
Barristers and Solicitors
25 Sheppard Avenue West, Suite 1100
Toronto, Ontario M2N 6S6

Philip Cho LSUC #45615U
Tel: (416) 225-8750
Fax: (416) 225-6751

Lawyers for Albert Gelman Inc., in its
capacity as Court-appointed Liquidator of
2497486 Ontario Ltd.

APPENDIX H

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Ontario Business Corporations Act, R.S.O., Chapter B-16

ABBAS MOHAMMAD

Applicant

- and -

STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.

Respondents

SECOND REPORT OF ALBERT GELMAN INC.
in its capacity as court-appointed liquidator

(Dated October 23, 2018)

I. INTRODUCTION

1. This second report (“**Second Report**”) is filed by Albert Gelman Inc. (“**AGI**”) in its capacity as liquidator (the “**Liquidator**”) appointed pursuant to the Order of the Honourable Justice Conway of the Ontario Superior Court of Justice, Commercial List, dated June 20, 2017 (the “**Appointment Order**”), without security, over all of the assets, undertakings and properties (the “**Property**”) of 2497486 Ontario Inc. (“**2497486**” or the “**Company**”). The application was commenced by Abbas Mohammad. A copy of the Appointment Order along with the endorsement of Justice Conway dated June 20, 2017 is attached hereto as **Appendix “A”**.

2. Prior to the date of the Appointment Order the Liquidator (in its capacity as Proposed Liquidator at that time) prepared a report in respect of these proceedings (the “**Pre-Filing Report**”). The Pre-Filing Report contained, among other things, details

regarding the principal asset of the Company being the real property municipally known as 1028 Bloor Street West, Toronto (the “**Real Property**”) as well as details regarding the proposed sales process. A copy of the Pre-Filing Report (without appendices) is attached hereto as **Appendix “B”**.

3. The Appointment Order at paragraph 4.A. included approval of the Liquidator to enter into a listing agreement with a commercial realtor for the purposes of realizing on the Real Property.

4. In accordance with the Appointment Order, the Liquidator entered into an agreement of purchase and sale with Modern City Real Estate Investment Trust Company Ltd.¹ (the “**Purchaser**”) dated August 31, 2017 and executed by the Liquidator on September 2, 2017, including an Amendment to Agreement of Purchase and Sale executed on September 12, 2017 (collectively, the “**Purchase Agreement**”) which contemplated the sale to the Purchaser of the Real Property (the “**Transaction**”). Attached hereto as **Appendix “C”** is a copy of the Purchase Agreement.

5. On October 30, 2017 the Honourable Justice Hainey granted an order (the “**Approval and Vesting Order**”) approving, among other things, the Transaction and vesting the Company’s right, title and interest in and to the Real Property in the Purchaser free and clear of any and all encumbrances. Attached hereto as **Appendix “D”** is a copy of the Approval and Vesting Order.

6. The Liquidator prepared a report in respect of the October 30, 2017 motion dated October 18, 2017 (the “**First Report**”) and well as a confidential report dated October 18, 2017 (the “**Confidential Report**”). Attached hereto as **Appendices “E”** and “**F**” are copies of the First Report and Confidential Report, without appendices, respectively. In accordance with the Approval and Vesting Order, the Court ordered that the Confidential Report remain sealed until completion of the Transaction. As described in further detail below, the Transaction was completed on November 24, 2017.

¹ The Agreement of Purchase and Sale was initially entered into with Elia Mazzawi, in trust as purchaser.

7. It its First Report the Liquidator proposed a Claims Solicitation Process for the purposes of identifying any and all arm's length creditors with claims against 2497486 which arose prior to the Claims Bar Date, being January 19, 2018. On October 30, 2017 the Honourable Justice Hainey granted an order (the "**Claims Solicitation Procedure and Bar Order**") approving, among other things, the Claims Solicitation Process. Attached hereto as **Appendix "G"** is a copy of the Claims Solicitation Procedure and Bar Order.

II. PURPOSE OF THIS REPORT

8. The purpose of this Second Report is to:

- a. provide details to the Court of the Liquidator's actions and activities subsequent to the date of the First Report;
- b. seek an order approving this Second Report as well as the actions and activities of the Liquidator described herein, including the Liquidator's interim statement of receipts and disbursements as of October 22, 2018 (the "**Interim SRD**");
- c. seek an order approving the proposed Non-Arm's Length Claims Solicitation Process (defined below);
- d. seek an order approving the fees and disbursements of the Liquidator for the period from October 18, 2017 to September 20, 2018;
- e. seek an order approving the fees and disbursements of the Liquidator's counsel, Kronis, Rotsztain, Margles, Cappel LLP for the period from October 18, 2017 to September 30, 2018; and,
- f. seek an order providing for such further and other relief as this Honourable Court may deem just.

III. SCOPE, RESTRICTIONS AND TERMS OF REFERENCE

9. In preparing this Second Report, the Liquidator has obtained and relied upon certain unaudited financial information of 2497486, 2497486's books and records, and discussions with both counsel for the Applicant, Mr. David Fogel, and counsel for the Respondents (excluding the Company), Mr. Ryan Hanna, as well as with two of the shareholders of 2497486, Mr. Stephen Celestial and Mr. Mustafa Ismael directly, and with 2497486's external accountant, Mr. Errol Chapman.

10. While the Liquidator has reviewed the various documents provided, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles ("**GAAP**") or International Financial Reporting Standards ("**IFRS**"). Accordingly, the Liquidator expresses no opinion or other form of assurance pursuant to GAAP or IFRS or otherwise with respect to such information except as expressly stated herein.

11. This report has been prepared for the use of this Court to assist the Court in making a determination of whether to approve the relief sought. Accordingly, the reader is cautioned that this report may not be appropriate for any other purpose. The Liquidator will not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

12. Unless otherwise noted, all monetary amounts referenced herein are expressed in Canadian dollars.

13. Terms not otherwise defined herein shall have the meanings ascribed to them in the First Report and draft form of Court Order included with the Liquidator's Motion Record for the motion returnable October 29, 2018.

IV. BACKGROUND INFORMATION

14. 2497486 is a corporation incorporated under the laws of the province of Ontario.

15. The common shares of 2497486 are owned by Abbas Mohammad (50%), Stephen Celestial (25%) and Mustafa Ismael (25%) (collectively, the “**Shareholders**”).

16. Based on information set out in a corporation profile report obtained by the Liquidator dated September 10, 2018, the Shareholders are also the directors of 2497486.

17. The Liquidator understands that the Shareholders are divided with Abbas Mohammad on one side, and Stephen Celestial and Mustafa Ismael on the other, resulting in a deadlock situation. The appointment of the Liquidator was on consent of both the Applicant and the Respondents.

18. As was noted above, prior to the appointment of the Liquidator the principal asset of 2497486 was the Real Property which it managed. The Real Property consisted of a three story building with a commercial unit on the first floor and separate residential units on each of the second and third floors.

19. The Real Property was sold by the Liquidator and the Transaction closed on November 24, 2017 in accordance with the Approval and Vesting Order.

V. ACTIONS AND ACTIVITIES OF THE LIQUIDATOR

20. The actions and activities of the Liquidator since the date of the First Report, and as reflected in the Interim SRD, are, among other things, as follows:

- a. Closed the Transaction, as further described below, including issuing and filing the Liquidator’s Certificate on November 24, 2017 in accordance with paragraph 6 of the Approval and Vesting Order;
- b. Undertook the Claims Solicitation Process, as further described below;
- c. Engaged the Company’s external accountant, Errol Chapman of Errol Chapman Professional Corporation (“**ECPC**”), to prepare the Company’s financial statements and tax filings for the year ended December 31, 2017;

- d. Issued payment to the Receiver General of Canada in the amount of \$94,329.59 for payment of corporate income taxes which resulted from the sale of the Real Property in the fiscal year ended December 31, 2017;
- e. Issued payment to Mr. Abbas Mohammad on December 5, 2017 in the amount of \$50,000 as a repayment of the third party funds provided to the Liquidator by Mr. Mohammad to guarantee the Liquidator's fees and disbursements in its capacity as Liquidator of the Company (defined as the "Guarantee" in the First Report);
- f. Cancelled the Company's insurance policies in respect of the Real Property following the closing of the Transaction; and,
- g. Engaged, through its counsel, with counsel to both the Applicant and the Respondents, for the purpose of determining an agreed upon process to determine the quantum of the claims of non-arm's length parties, including the claims of the Shareholders. The Liquidator understands that the proposed Non-Arm's Length Claims Solicitation Process (defined below) has been proposed to the Applicant and the Respondents in advance of this motion and that neither party has indicated that they oppose the relief being sought by the Liquidator in respect of this proposed process.

VI. CLOSING OF THE TRANSACTION

21. The Approval and Vesting Order, at paragraph 1, authorized the Liquidator to complete (or close) the Transaction with the Purchaser and that the completion of the Transaction would occur when the Liquidator issued and filed with the Court the Liquidator's certificate.

22. In accordance with paragraph 6 of the Approval and Vesting Order and the Liquidator being satisfied the all steps had been taken in order to complete the Transaction, the Liquidator issued and filed with the Court the Liquidator's certificate on November 24, 2017. Attached hereto as **Appendix "H"** is a copy of the executed Liquidator's Certificate.

23. The Liquidator issued payment to Equitable Bank in accordance with its payout statement dated October 16, 2017 in order to satisfy the outstanding debt obligation of Equitable Bank and, as a result, Equitable Bank discharged its mortgage against title to the Real Property on December 5, 2017. Attached hereto as **Appendix “I”** is a copy of the registered discharge of Equitable Bank’s mortgage.

VII. CLAIMS SOLICITATION PROCESS - ARM’S LENGTH CREDITORS

24. In accordance with the Claims Solicitation Procedure and Bar Order the Liquidator was empowered and authorized to undertake a process to identify, resolve and bar any and all claims against the Company, excluding the non-arm’s length claims of the Shareholder and other related parties (the “**Claims Solicitation Process**”).

25. The Claims Solicitation Process required that all claims were to be provided to the Liquidator prior to 5:00 p.m. eastern standard time on January 19, 2018 (the “**Claims Bar Date**”) and that if a creditor did not file a claim by the Claims Bar Date it would be forever barred from doing so and its claim against the Company would be extinguished.

26. In respect of the Claims Solicitation Process approved by the Court the Liquidator undertook the following activities:

- a. Published a notice in both the National Post and the Toronto Star on December 8, 2017 describing the Claims Solicitation Process and advising all creditors of 2497486 of the Claims Bar Date. Attached hereto as **Appendix “J”** are copies of the notices.
- b. Sent via electronic mail to all known creditors of 2497486 (as either identified by the Liquidator during these proceeding or as contained in the Company’s books and records), a proof of claim form to be sworn by the creditor under oath as well as instructions regarding the proper completion of the proof of claim form (together the “**Proof of Claim Document Package**”); and,

c. Posted the Proof of Claim Document Package on the Liquidator's website.

27. In undertaking the Claims Solicitation Process the Liquidator received the following claims prior to the Claims Bar Date:

a. Wilk Law sworn January 11, 2018 in the amount of \$4,536.95; and,

b. Safetech Environmental Limited sworn January 9, 2018 in the amount of \$3,333.50.

(collectively, the "**Received Claims**")

28. Attached hereto as **Appendix "K"** are copies of the Received Claims.

29. There were no claims received by the Liquidator subsequent to the Claims Bar Date.

30. The Liquidator accepted both of the Received Claims. There were no claims received by the Liquidator which were disputed.

31. The Liquidator issued payment to the claimants in respect of each of the Received Claims in the amounts set out therein.

VIII. PROPOSED CLAIMS SOLICITATION PROCESS - NON-ARM'S LENGTH CREDITORS

32. As was noted above, the Shareholders are divided. As a result, the Liquidator believes a fulsome process should be conducted to determine the respective claims of each of the non-arm's length creditors prior to any distribution.

33. The Liquidator recommends the Court approve the process set out below, developed by the Liquidator, for the purpose of determining the nature and quantum of the claims of the non-arm's length creditors of 2497486 being Abbas Mohammad, Stephen Celestial and Mustafa Ismael. The Liquidator believes that the proposed claims solicitation process is efficient, expedient, fair and reasonable in the circumstances.

34. The draft form of Order included with the Liquidator's motion records indicates that if the Liquidator does not receive a proof of claim from any of the non-arm's length creditors before the Determination Date then the Net Proceeds shall be distributed as follows:

- a. \$217,123.13 to Abbas Mohammad ("**Mohammad**") in full and final satisfaction of his shareholder loan claim;
- b. \$125,411.57 to Stephen Celestial ("**Celestial**") in full and final satisfaction of his shareholder loan claim;
- c. \$106,900.00 to Mustafa Ismael ("**Ismael**") in full and final satisfaction of his shareholder loan claim; and,
- d. the balance of the Net Proceeds to be distributed to each of the Parties in accordance with the percentage of each Party's shareholding, which for greater certainty shall be: 50% to Mohammad; 25% to Celestial; and 25% to Ismael.

35. The above noted amounts were provided to the Liquidator by the Company's external accountant and represent the shareholder loan amounts owing to the Shareholders as they are recorded in the Company's accounting books and records. Attached hereto as **Appendix "L"** are the fiscal year ended December 31, 2017 financial statements along with the transactions detail reports for each of the three shareholder loan accounts.

36. The Liquidator will retain a properly qualified tax professional to assist the Liquidator to obtain a certificate from the Canada Revenue Agency ("CRA") certifying that the Liquidator is not liable to pay any additional amounts to the CRA in its capacity as Liquidator of the Company which certificate is commonly referred to as a "Clearance Certificate". The Liquidator will not be obligated to distribute any portion of the Net Proceeds until such time as it has received a Clearance Certificate and paid the specified amounts owing to the CRA, if any. The Liquidator notes that as part of the

Claims Solicitation Process previously undertaken and described above, it provided a Proof of Claim Document Package to the CRA and did not receive a response.

37. If any of the non-arm's length creditors disagree with the proposed distribution of the Net Proceeds as set out above they shall be permitted to file a Proof of Claim with the Liquidator on or before the Determination Date. The Determination Date shall be the date that is 30 days from the date of the Court Order approving this claims process (the "**Determination Date**").

38. In the event that the Liquidator does receive a Proof of Claim before the Determination Date and such claim differs from the amount(s) noted above, the following process shall be undertaken to determine the Claims of each of the non-arm's length creditor:

- a. The Liquidator shall review such Proof of Claim received and shall review the nature of the Claim set out therein and may investigate the Company's records and request further evidence or information from the Parties;
- b. The Liquidator may attempt to consensually resolve the amount of the Proof of Claim with the Parties or, upon completion of its investigation, shall send a Notice of Determination to the Parties as soon as is practicable after the Determination Date;
- c. any Party that objects to the Notice of Determination, shall deliver to the Liquidator a Notice of Dispute within 15 days of the issuance of the Notice of Determination, or, if no Party delivers the Notice of Dispute within such time, the value of such Parties' respective Claims shall be deemed to be as set out in the Notice of Determination;
- d. any Party who delivers a Notice of Dispute to the Liquidator in accordance with this Order, shall, unless otherwise agreed by the Liquidator in writing, by no later than 5:00 p.m. on the day that is 15 days after the service of the Notice of Dispute, serve, and file with this Court, a Notice of Motion seeking to appeal the Liquidator's determination, returnable on a date to be fixed by

this Court, and in any event, no later than 60 days from the date of the service of the Notice of Motion. If a Notice of Motion seeking to appeal is not filed within such period, then the Notice of Determination shall, subject to further order of this Court, be deemed to be final and binding.

(collectively, the “**Non-Arm’s Length Claims Solicitation Process**”)

39. The Liquidator is requesting that this Honourable Court approve the proposed Non-Arm’s Length Claims Solicitation Process.

IX. LIQUIDATOR’S INTERIM SRD

40. Attached hereto at **Appendix “M”** is the Liquidator’s Interim SRD.

X. ACCOUNTS OF THE LIQUIDATOR AND ITS COUNSEL

41. Attached hereto as **Appendix “N”** is the Affidavit of Tom McElroy regarding the Liquidator’s fees for the period from October 18, 2017 to September 20, 2018 accompanied by the supporting time dockets (the “**Liquidator’s Fees**”).

42. Attached hereto as **Appendix “O”** is the Affidavit of Mark Lieberman regarding the fees and disbursements of Kronis, Rotsztain, Margles, Cappel LLP (“**KRMC**”) for the period from October 18, 2017 to September 30, 2018 accompanied by the supporting time dockets.

43. The Liquidator believes that its fees and disbursements, as well as the fees and disbursements of its counsel, KRMC, are fair and reasonable.

XI. LIQUIDATOR’S REQUEST FOR APPROVAL

44. The Liquidator respectfully requests an Order of this Honourable Court:

- a. approving this Second Report of the Liquidator, as well as the actions and activities of the Liquidator described herein, including the Interim R&D;
- b. approving the proposed Non-Arm’s Length Claims Solicitation Process;

- c. approving the fees and disbursements of the Liquidator for the period from October 18, 2017 to September 20, 2018;
- d. approving the fees and disbursements of KRMC for the period from October 18, 2017 to September 30, 2018; and,
- e. providing for such further and other relief as this Honourable Court may deem just.

All of which is respectfully submitted this 23rd day of October, 2018.

**ALBERT GELMAN INC., solely in its
capacity as the Court-Appointed Liquidator
of 2497486 Ontario Ltd. and not in its
Personal or any other Capacity**

Per:



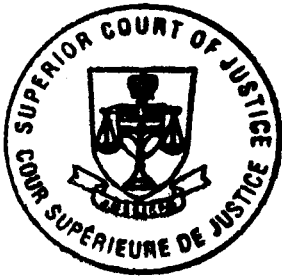
Tom McElroy, CPA, CA, CBV, CIRP, LIT

APPENDIX I

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Ontario Business Corporations Act, R.S.O., Chapter B-16

THE HONOURABLE *Mr:*)
JUSTICE *HAINES*)

MONDAY, THE 29th
DAY OF OCTOBER, 2018



ABBAS MOHAMMAD

Applicant

- and -

STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.

Respondents

ORDER
(Non-Arms' Length Claims Procedure and Bar Order)

THIS MOTION, made by Albert Gelman Inc. in its capacity as court-appointed liquidator (the "**Liquidator**") without security, of all of the assets, undertakings and properties of 2497486 Ontario Ltd.. (the "**Company**") for, among other things, an order approving and establishing a procedure for the resolution and barring of certain claims against the Company was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Second Report of the Liquidator dated October 23, 2018, and on hearing the submissions of the lawyers for the Liquidator, the Applicant and the Respondents (except the Company):

DEFINITIONS

1. THIS COURT ORDERS that the following terms in this Order shall have the following meanings ascribed to them:

- (a) “**Appointment Order**” means the Order of Madam Justice Conway dated June 20, 2017 in the OBCA Proceeding;
- (b) “**Business Day**” means a day which is not: (a) a Saturday or a Sunday; or (b) a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable in the Province of Ontario;
- (c) “**Claim**” means any right or claim of any Party that may be asserted or made in whole or in part against the Company, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest that may accrue thereon in which there is an obligation to pay, and costs which such Party would be entitled to receive pursuant to the terms of any contract with such Party at law or in equity, any right of ownership of or title to property or assets or to a trust or deemed trust (statutory or otherwise) against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, or any right or ability of any Party to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which exist prior to the Determination Date, together with any other rights or claims, whether or not asserted, made after the Determination Date, in any way, directly or indirectly related to any action taken or power exercised prior to the Determination Date;

- (d) **“Claims Procedure”** means the non-arms’ length and equity claims solicitation procedure and schedules set out herein, as may be amended from time to time;
- (e) **“Court”** means the Ontario Superior Court of Justice (Commercial List);
- (f) **“Creditor”** means any Party having a Claim and, if the context requires, an assignee or transferee of a Claim or a trustee, receiver, receiver-manager or other Party acting on behalf of such Party;
- (g) **“Determination Date”** means the date that is 60 days from the date of this Order;
- (h) **“Dollars”** or **“\$”** means lawful money of Canada unless otherwise indicated;
- (i) **“Equity Claim”** has the meaning as set out in the *Bankruptcy and Insolvency Act* (Canada);
- (j) **“Inter-Shareholder Claim”** means ^{a Party's} ~~the Applicant's~~ claim for certain amounts alleged to be owing by ~~the Respondents, or either of them, to the Applicant;~~ ^{any other Party on account of monies loaned;}
- (k) **“Net Proceeds”** means all funds held by the Liquidator, less the reasonable fees and disbursements for the Liquidator and its counsel, any and all disbursements, any distributions authorized by the Court, and a reasonable reserve sufficient for the Liquidator to complete its mandate and be discharged by this Court;
- (l) **“Notice of Determination”** means the notice substantially in the form attached hereto as **Schedule “B”**;
- (m) **“Notice of Dispute”** means a notice given by a Creditor to the Liquidator advising the Liquidator of the Creditor’s objection to the Liquidator’s Notice of Determination;
- (n) **“OBCA”** means the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;

- (o) **“OBCA Proceeding”** means the proceedings before the Court in respect of the application by the Applicant commenced pursuant to the OBCA and bearing Court File No. CV-17-11740-00CL;
- (p) **“Order”** means any order of the Court in connection with the OBCA Proceeding;
- (q) **“Party” or “Parties”** means any one or more of the parties to the OBCA Proceeding, except the Company and, for greater certainty, includes Abbas Mohammad, Stephen Celestial and Mustafa Ismael;
- (r) **“Proof of Claim”** means the form to be completed and filed by a Creditor setting forth its proposed Claim, substantially in the form attached hereto as **Schedule “A”**;
- (s) **“Records”** has the meaning set out in the Appointment Order as well as any documents provided to the Liquidator as part of the Claims Procedure;

FILING OF PROOFS OF CLAIM

2. THIS COURT ORDERS that each Creditor shall file a written Proof of Claim so as to be received by the Liquidator on or before the Determination Date, by registered mail, personal delivery, courier, facsimile transmission or e-mail.

3. THIS COURT ORDERS that each Creditor’s Proof of Claim shall include, without limitation, amounts claimed on account of any shareholder loans advanced to the Company, together with documents supporting such advances, and may include such other supporting documents as the Creditor may consider relevant.

4. THIS COURT ORDERS that ^{each Party} ~~the Applicant~~ shall include in his Proof of Claim, a claim ^{an} ~~for~~, and particulars in respect of, ~~the~~ Inter-Shareholder Claim, ^{if any.}

5. THIS COURT ORDERS that the Liquidator be and is hereby authorized and directed to review the Inter-Shareholder Claim in accordance with the Claims Procedure as though such Inter-Shareholder Claim was a “Claim” within the meaning of this Order, and that the Parties

shall be bound by the Liquidator's determination of the Inter-Shareholder Claim, subject only to the rights of any Party to dispute the Liquidator's determination in accordance with this Order.

DETERMINATION OF NON-ARM'S LENGTH CLAIMS

6. THIS COURT ORDERS that the Liquidator shall review each Proof of Claim received and shall review the nature of the Claim set out therein and may investigate the Records and request further evidence or information from the Parties, as appropriate, to determine the validity of the Party's Claim and reconcile same with each other Party's Claim(s) and the Company's Records.

7. THIS COURT ORDERS that the Liquidator may attempt to consensually resolve the amount of the Proof of Claim with the Parties or, upon completion of its investigation, shall send a Notice of Determination to each of the Parties setting out:

- (a) the amount determined by the Liquidator of each Party's Claim(s), the Inter-Shareholder Claim, and the value of each Party's Equity Claim based on their respective shareholdings, being 50% for the Applicant, and 25% for each of the individual Respondents;
- (b) the basis for such determination, and;
- (c) the proposed distribution of the Net Proceeds in accordance with the Liquidator's determination, including the order by which payments shall be made by the Liquidator according to any applicable priorities;

as soon as is practicable after the Determination Date.

8. THIS COURT ORDERS that any Party that objects to the Notice of Determination, shall deliver to the Liquidator a Notice of Dispute within 30 days of receipt of the Notice of Determination, or, if no Party delivers a Notice of Dispute within such time, the value of such Parties' respective Claims shall be deemed to be final and binding as set out in the Notice of Determination.

9. THIS COURT ORDERS that any Party who delivers a Notice of Dispute to the Liquidator in accordance with this Claims Procedure, shall, unless otherwise agreed by the Liquidator in writing, by no later than 5:00 p.m. (Toronto time) on the day that is 30 days after the service of the Notice of Dispute, serve, and file with this Court, a Notice of Motion seeking to appeal the Liquidator's determination(s), returnable on a date to be fixed by this Court. If a Notice of Motion seeking to appeal is not filed within such period, then the Notice of Determination shall, subject to further order of this Court, be deemed to be final and binding.

10. THIS COURT ORDERS that if the Notice of Determination is deemed to be final and binding in accordance with this Claims Procedure, then the Liquidator is hereby authorized and directed to pay the Net Proceeds in accordance with such Notice of Determination as soon as reasonably practicable, in full and final satisfaction of any and all Claims that each Party may have, including without limitation the Inter-Shareholder Claim, and any and all other rights or claims of any Party that were, or could have been, asserted or made, in whole or in part, against any other Party, whether or not asserted or made, in connection with any indebtedness, liability, or obligation of any kind whatsoever arising out of any business, dealings, relationship, or otherwise, related to the affairs of the Company.

GENERAL PROVISIONS

11. THIS COURT ORDERS that notwithstanding paragraph 10 of this Order, the Liquidator shall not be required to make any distribution to any Party, until such time as it has received a certificate from Canada Revenue Agency ("CRA") certifying that the Liquidator is not liable to pay any additional amounts to CRA in its capacity as Liquidator of the Company, which certificate is commonly referred to as a "Clearance Certificate".

12. THIS COURT ORDERS that the Liquidator is authorized to use reasonable discretion as to adequacy of compliance with respect to the timelines set out in this Claims Procedure and the manner in which Proofs of Claim, the Notice of Determination and Notices of Dispute are completed and executed.

13. THIS COURT ORDERS that any document to be sent to a Party pursuant to this Claims Procedure may be sent by e-mail, registered mail, courier or facsimile transmission to the Party's counsel, and any such document shall be deemed to have been received five (5) business days after such document is sent by registered mail and one business day after such document is sent by e-mail, courier or facsimile transmission.

14. THIS COURT ORDERS that any notice or other communication to be given under this Claims Procedure by a Party to the Liquidator shall be in writing in substantially the form, if any, provided for in this Claims Procedure, and will be sufficiently given only if delivered by registered mail, courier, personal delivery, facsimile transmission, or e-mail addressed to:

**Albert Gelman Inc. in its capacity as court-appointed liquidator
of 2497486 Ontario Ltd.**

100 Simcoe Street
Suite 125

Toronto, ON M5H 3G2

Attention: Tom McElroy

Phone: 416.504-1650 ext. 117

Fax: 416.504.1655

Email: tmcelroy@albertgelman.com.

15. THIS COURT ORDERS that the following Schedules form part of this Order:

(a) **Schedule "A"** – Proof of Claim; and,

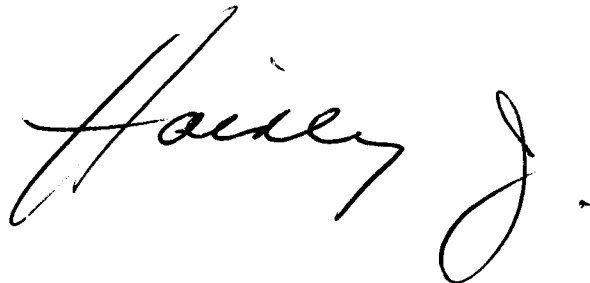
(b) **Schedule "B"** – Notice of Determination.

16. THIS COURT ORDERS that, notwithstanding the terms of this Order, the Liquidator may apply to this Court from time to time for such further order or orders as it considers necessary or desirable to amend, supplement or replace this Order.

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

OCT 29 2018

PER / PAR: *RW*



Schedule "A" – PROOF OF CLAIM

Court File No. CV-17-11740-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
*Ontario Business Corporations Act, R.S.O., Chapter B-16***

ABBAS MOHAMMAD

Applicant

- and -

**STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.**

Respondents

PROOF OF CLAIM

I, _____, a party to these proceedings, MAKE OATH AND SAY:

A. PARTICULARS OF THE CLAIMANT(S):

(1) Full Legal Name of Claimant(s) (*include if claim is being made through a holding or related corporation*):

B. PARTICULARS OF CLAIM

The undersigned claims the following amounts based on the following particulars (*for each category below, set out particular facts setting out the nature of the claims and include any supporting documentation, including copies of cheques, bank draft, money orders, wire transfers, etc., loan documents, promissory notes or other agreement(s) giving rise to the claim and particulars of any claim*):

Shareholder Loan Claim (*describe details of why the shareholder account is disputed and indicate the amount claimed*):

[Empty rectangular box]

Other Claims *(describe the details of all other claims asserted as against the Company, or if applicable, of an Inter-Shareholder Claim, whether derivative or direct, and indicate the amounts claimed):*

[Empty rectangular box]

SWORN BEFORE ME at the _____)
_____, in the _____)
Province of _____)
this ____ day of _____, 2018)

A Commissioner , or Notary Public, etc.

Name of Deponent:

SCHEDULE "B" - NOTICE OF DETERMINATION

Notice of Determination

Albert Gelman Inc., in its capacity as Liquidator of 2497486 Ontario Ltd. (the "Liquidator"), hereby gives you notice that it has reviewed your Proof of Claim and has made the following determination:

A) Determination of claims:

Type of Claim	Abbas Mohammad	Stephen Celestial	Mustafa Ismael
Shareholder loans			
Other claims (if any):			
Inter-Shareholder Claim			
Equity claims			

B) Basis of Determination:

Based on the Liquidator's investigation, the Liquidator determined that:

1. *Set out basis of determination...*

C) Distribution of Net Proceeds:

1. *Set out order, amounts and recipient to receive distributions of Net Proceeds in accordance with determination of claims*

DATED this _____ day of _____, 2018.

ALBERT GELMAN INC.,
in its capacity as Court Appointed Liquidator of
2497486 Ontario Ltd. and not in its personal
capacity
Per:

TOM MCELROY
100 Simcoe Street, Suite 125
Toronto, ON M5H 3G2
Phone: (416) 504-1650 Ext. 117
Fax: (416) 504-16555
Email: tmcelory@albertgelman.com

• **ABBAS MOHAMMAD**

-and-

**STEPHEN CELESTIAL, MUSTAFA ISMAEL AND 2497486
ONTARIO LTD.**
Respondents

• Applicant

Court File No. CV-17-11740-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**NON-ARMS' LENGTH CLAIMS
PROCEDURE AND BAR ORDER**

**KRONIS, ROTSZTAIN,
MARGLES, CAPPEL LLP**
Barristers and Solicitors
25 Sheppard Avenue West, Suite 1100
Toronto, Ontario M2N 6S6

Philip Cho LSUC #45615U
Tel: (416) 225-8750
Fax: (416) 225-6751

Lawyers for Albert Gelman Inc., in its
capacity as Court-appointed Liquidator of
2497486 Ontario Ltd.

APPENDIX J

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Ontario Business Corporations Act, R.S.O., Chapter B-16

THE HONOURABLE *Mr.*)
JUSTICE *HAINES*)

MONDAY , THE 29th
DAY OF OCTOBER, 2018

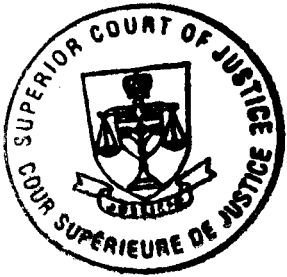
ABBAS MOHAMMAD

Applicant

- and -

STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.

Respondents

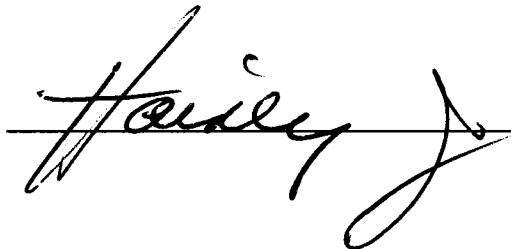


ORDER
(Approval of Second Report, Fees and
Statement of Interim Receipts and Disbursements)

THIS MOTION, made by Albert Gelman Inc. in its capacity as court-appointed liquidator (the “Liquidator”) without security, of all of the assets, undertakings and properties of 2497486 Ontario Ltd.. (the “Company”) for an order approving the Second Report of the Liquidator dated October 22, 2018 (the “Second Report”), as well as the actions and activities described therein, the fees and disbursements of the Liquidator and its counsel, and the interim statement of receipts and disbursements of the Liquidator was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Second Report of the Liquidator dated October 23, 2018, and on hearing the submissions of the lawyers for the Liquidator, the Applicant and the Respondents (except the Company):

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion 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 Second Report of the Liquidator, and the actions and activities of the Liquidator as described therein, be and are hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Liquidator and its counsel, as set out in the Affidavit of Tom McElroy sworn on October 23, 2018 and the Affidavit of Mark Lieberman sworn on October 23, 2018, appearing as Appendices "N" and "O", respectively, in the Second Report, be and are hereby approved.
4. **THIS COURT ORDERS** that the Liquidator's Interim Statement of Receipts and Disbursements as at October 22, 2018, appearing as Appendix "M" in the Second Report, be and is hereby approved.



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

OCT 29 2018

PER / PAR: *RW*

ABBAS MOHAMMAD

Applicant

-and-

**STEPHEN CELESTIAL, MUSTAFA ISMAEL AND 2497486
ONTARIO LTD.**
Respondents

Court File No. CV-17-11740-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

KRONIS, ROTSZTAIN, MARGLES, CAPPEL LLP
25 Sheppard Avenue West, Suite 1100
Toronto ON M2N 6S6

Philip Cho (45615U)

pcho@krmc-law.com

Tel: (416) 218-5494

Fax: (416) 225-6751

Lawyers for Albert Gelman Inc., court-appointed
Liquidator for 2497486 Ontario Inc.

10:00 A.M.

H

COUNSEL SLIP

COURT FILE NO CV-17-11740-00CL

DATE OCT 29, 2018

NO ON LIST 5

TITLE OF PROCEEDING MOHAMMAD, ABBAS
V CELESTIAL, STEPHEN et al.

COUNSEL FOR:
PLAINTIFF(S)
APPLICANT(S)
PETITIONER(S)

ROBERT MACDONALD

PHONE & FAX NOS

T: (647) 729-0754
F: (416) 941-8852
E: rmacdonald@foglers.com

COUNSEL FOR:
DEFENDANT(S)
RESPONDENT(S)

PHILIP CHO for Court appointed liquidator

T: 416 218 5494
F: 416 225 6751
E: pcho@kvmc.kw.com

Rupa Hance for Respondent

9-763-3770
T: ~~416-677-6775~~
F: 905-763-3772
E: rhanma@fjlaw.com

October 29, 2018
Orders to go on the
Terms of the attached.

Hainey J

APPENDIX K

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Ontario Business Corporations Act, R.S.O. Chapter B-16

BETWEEN:

ABBAS MOHAMMAD

Applicant

and

STEPHEN CELESTIAL, MUSTAFA ISMAEL and 2497486 ONTARIO LTD.

Respondents

PROOF OF CLAIM OF ABBAS MOHAMMAD

January 3, 2019

FOGLER, RUBINOFF LLP

Lawyers

77 King Street West

Suite 3000, P.O. Box 95

TD Centre North Tower

Toronto, ON M5K 1G8

Robert B. Macdonald (LSO# 60512B)

rmacdonald@foglers.com

Tel: 647.729.0754

Fax: 416.941.8852

Lawyers for the Applicant

TO: **FIJ LAW LLP**
50 West Pearce Street
Suite 10
Richmond Hill ON L4B 1C5

Ryan Hanna
Tel: 905.763.3770
Fax: 905.763.3772

Lawyers for the Respondents

TO: **WEIRFOULDS LLP**
66 Wellington Street West
Suite 4100, P.O. Box 35
TD Bank Tower
Toronto, ON M5K 1B7

Philip Cho
pcho@weirfoulds.com
Tel: 416.619.6296
Fax: 647.638.7828

Lawyers for Albert Gelman Inc., in its capacity
as Court-appointed Liquidator of 2497486 Ontario Ltd.

index

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Ontario Business Corporations Act, R.S.O. Chapter B-16

BETWEEN:

ABBAS MOHAMMAD

Applicant

and

STEPHEN CELESTIAL, MUSTAFA ISMAEL and 2497486 ONTARIO LTD.

Respondents

I N D E X

A	Proof of Claim of Abbas Mohammad
1	Agreement of Purchase and Sale between Stephan Celestial and Can-Rad Beauty Limited
2	Amendment to Agreement of Purchase and Sale between Stephan Celestial and Can-Rad Beauty Limited
3	Bank Draft for \$100,000 payable to Homelife/Cimerman Real Estate Ltd.
4	Receipt issued by TD Canada Trust dated October 7, 2015
5	TD Canada Trust Statement of 2164971 Ontario Inc.
6	Angelos Spingos Trust Ledger Statement to 2497486 Ontario Limited dated November 7, 2016
7	Promissory Note from Mustafa Ismael to Nicolas Spingos dated December 29, 2015
8	Promissory Note from Stephen Celestial to Nicolas Spingos dated December 29, 2015
9	Intact Insurance Invoice to 2497486 Ontario Limited dated January 16, 2017

10	MasterCard Statement of Abbas Mohammad for the period December 27, 2016 to January 26, 2017
11	TD Canada Trust Bank Statement of 2164971 Ontario Inc.
12	Fogler, Rubinoff LLP Invoice No. 21700961 to 2497486 Ontario Limited dated January 24, 2017
13	Receipt for payment of Fogler, Rubinoff LLP Invoice No. 21700961
14	General Security Agreement between Nicolas Spingos and Mustafa Ismael dated December 29, 2015
15	Assignment Agreement between Nicolas Spingos and Abbas Mohammad dated December 28, 2016
16	Email from David Fogel to Ryan Hanna dated January 20, 2017 with discharge statement
17	Landy Marr Kats LLP Invoice dated December 21, 2016
18	Landy Marr Kats LLP Invoice dated March 29, 2017
19	Landy Marr Kats LLP Invoice dated August 4, 2017
20	Fogler, Rubinoff LLP Invoice No. 21815513

tab A

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Ontario Business Corporations Act, R.S.O., Chapter B-16

ABBAS MOHAMMAD

Applicant

- and -

STEPHEN CELESTIAL, MUSTAFA ISMAEL and
2497486 ONTARIO LTD.

Respondents

PROOF OF CLAIM

I, Abbas Mohammad, a party to these proceedings, MAKE OATH AND SAY:

A. PARTICULARS OF THE CLAIMANT:

(1) Full Legal Name of Claimant: Abbas Mohammad

B. PARTICULARS OF CLAIM:

Abbas Mohammad claims the following amounts based on the following particulars:

Shareholder Loan Claim:

I claim the sum of \$229,361.40 on account of loans that I made towards 2497486 Ontario Ltd. ("249" or the "Company") This figure is made up of the following amounts, which I explain and particularize below:

To Purchase of 1028 Bloor Street West:	\$215,684.70
To Cash Flow:	\$10,000.00
To Property Insurance:	\$2,716.20
To Legal Fees:	\$960.50
Total Shareholder Loans:	\$229,361.40

1. Purchase of 1028 Bloor Street West (\$215,684.70):

I calculate the total amount that I contributed towards the Company's purchase of 1028 Bloor Street West (the "Property") by taking the total amount paid for the Property and related closing costs and subtracting the amounts that Equitable Bank, Stephen Celestial and Mustafa Ismael contributed towards the purchase.

The purchase price for the Property was \$1.2 million. This is evidenced by the Agreement of Purchase and Sale (Exhibit "1") and the Amendment to the Agreement of Purchase and Sale (Exhibit "2").

I paid the \$100,000 deposit contemplated by the Agreement of Purchase and Sale through my company, 2164971 Ontario Inc. ("216"). Attached as Exhibit "3" is the bank draft I used to pay the deposit to the seller's real estate broker of record, Homelife/Cimerman Real Estate Ltd. Attached as Exhibit "4" is the receipt issued by TD Bank for the bank draft and a service charge of \$7.50. Attached as Exhibit "5" is 216's bank statement, showing the debit of \$100,007.50 for the deposit amount and the service charge.

I have redacted portions of the bank statement in order to maintain confidentiality over my business information. None of the redacted information is relevant to this matter.

Angelos Spingos acted as the Company's lawyer in closing the purchase of the Property. Mr. Spingos' trust statement (Exhibit "6") shows that the total amount paid in order to close the purchase of the Property was \$1,132,954.68. As can be seen from Mr. Spingos' trust statement, that amount includes the amount that was advanced to the seller, as well as the amounts paid for both provincial and municipal land transfer tax and Mr. Spingos' professional fees.

Combined with the deposit, the total cost of purchasing the Property was \$1,232,954.68.

Unfortunately, Mr. Spingos' trust statement does not specify the amount that I contributed towards the purchase. Nor does it show how much Mr. Ismael contributed.

Each of Mr. Celestial and Mr. Ismael borrowed money from Nicolas Spingos in order to contribute towards the purchase of the Property. I assisted them by introducing them to Nicolas Spingos, with whom I have a business relationship.

Mr. Celestial and Mr. Ismael each only contributed \$15,000 of their own money towards the purchase of the Property. Through loans to both Mr. Celestial and Mr. Ismael, Nicolas Spingos contributed \$180,000 towards the purchase of the Property.

This is evidenced by Angelos Spingos' trust statement, which shows that Mr. Celestial only contributed \$15,000. Further, I recall that Mr. Ismael could only contribute \$15,000 of his own money.

The fact that Mr. Celestial and Mr. Ismael only each contributed \$15,000 of their own money towards the purchase is further evidenced by the structure of the loans that Mr. Celestial and Mr. Ismael received from Nicolas Spingos.

The Promissory Note that Mr. Ismael signed in favour of Nicolas Spingos is attached as Exhibit "7". The total loan amount of \$108,900 is made up of the following:

Principal Loan Amount:	\$105,000.00
Down Payment by Celestial:	\$15,000.00
Total Advanced to Celestial:	\$90,000.00
Lender's Fee:	\$18,900.00
Total Loan Amount:	\$108,900.00

The Promissory Note that Mr. Celestial signed in favour of Nicolas Spingos is attached as Exhibit "8". The total loan amount of \$102,600 is made up of the following:

Principal Loan Amount:	\$105,000.00
Down Payment by Ismael:	\$15,000.00
Total Advanced to Ismael:	\$90,000.00
Lender's Fee:	\$12,600.00
Total Loan Amount:	\$102,600.00

My contribution of \$215,684.70 makes up the remaining balance when the above figures as well as the amount paid by Equitable Bank are deducted from the total amount paid to close the purchase of the Property(\$1,232,954.68):

Advanced by Equitable Bank:	\$807,269.98 ¹
Down Payment by Ismael:	\$15,000.00
Down Payment by Celestial:	\$15,000.00
Funds from Nicolas Spingos ² :	\$180,000.00
Advanced by Abbas Mohammad:	\$215,684.70
Total:	\$1,232,954.68

¹ See Angelos Spingos' Trust Statement at Exhibit "6"

² I have segregated the amounts advanced by Nicolas Spingos in order to demonstrate how my contribution is calculated. I am not suggesting that those funds should not be credited towards Mr. Celestial or Mr. Ismael from an accounting perspective, subject to my claim with respect to the debt owing to me by Mr. Ismael.

2. Payment of Property Insurance Premium (\$2,716.20):

The Property was insured by Intact Insurance Company. On January 16, 2017, Intact issued an invoice to the Company in the amount of \$2,716.20 (Exhibit "9"), which represented the annual premium for the period between December 30, 2016 to December 30, 2017.

On January 24, 2017, I personally paid \$2,716.20 to Intact for the annual property insurance premium using my MasterCard. A true copy of my credit card statement showing this payment is attached as Exhibit "10". I have redacted portions of my credit card statement in order to maintain confidentiality over my personal information. None of the redacted information is relevant to this matter.

3. Cash Flow Contribution (\$10,000.00):

I contributed \$10,000 to the Company through 216 in order to provide the Company with cash. I have not been reimbursed for this amount³. 216's bank statement for the period from December 31, 2015 through to January 29, 2016 is attached as Exhibit "11". It includes a copy of the deposited cheque that I wrote in order to make the \$10,000 contribution to the Company. I have redacted portions of the bank statement in order to maintain confidentiality over my information. None of the redacted information is relevant to this matter.

4. Legal Fees (\$960.50):

On January 24, 2017, Lawrence Adelberg of Fogler, Rubinoff LLP issued an invoice in the amount of \$960.50 to the Company (Exhibit "12"). Mr. Adelberg was retained in order to act as counsel for the company and to attend a director's meeting with me, Mr. Celestial and Mr. Ismael that Mr. Celestial unilaterally scheduled while I was overseas. Despite the fact that he knew that I was overseas, Mr. Celestial stated that I had to attend in person, or else he and Mr. Ismael would take over the affairs of the Company without further notice to me. Because of Mr. Celestial's threats, I ended my trip and immediately flew to Toronto in order to attend the director's meeting. However, Mr. Celestial then cancelled the meeting. Mr. Adelberg had spent time preparing for the meeting in order to help serve the Company only for the meeting to then be cancelled. I paid Mr. Adelberg's invoice. Attached as Exhibit "13" is a receipt showing that I paid Mr. Adelberg's invoice using my credit card.

Other Claims:

Under the October 29, 2018 order of the Honourable Justice Hainey, the parties were authorized to submit Inter-Shareholder Claims as part of this claims process.

In addition to my shareholder loan claim as against the Company, I claim the sum of \$74,384.59 as against Mustafa Ismael, which is made up of the following amounts:

Loan Deficiency from Ismael:	\$35,680.59
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³ I loaned more than \$10,000 in cash to the Company. However, the \$10,000 that I am claiming through this process is the only advance for which I have not been reimbursed.

Legal Fees Secured by GSA:	\$38,918.39
Total Other Claims:	\$74,598.98

1. Loan Deficiency:

In addition to the Promissory Note that Mr. Ismael granted in favour of Nicolas Spingos, he also signed a General Security Agreement in favour of Mr. Spingos (Exhibit "14").

While Mr. Celestial was able to pay off his loan to Mr. Spingos, Mr. Ismael was not. He did not have the funds to do so.

I told Mr. Ismael that he needed to refinance his loan with Mr. Spingos in order to avoid defaulting under the Promissory Note. I further told Mr. Ismael that I had spoken with Mr. Spingos and that he was agreeable to renewing the loan, on terms, and provided that he could take a second mortgage on the Property. As a 50% shareholder in the Company, I was agreeable to Mr. Spingos securing his interest against the Property. I understood that such a mortgage would only be secured against Mr. Ismael's equity in the Company.

Mr. Ismael later asserted that he did not have to repay Mr. Spingos' loan and that Mr. Spingos did not have any recourse against him. The signed GSA was later provided to Mr. Ismael who was forced to acknowledge that he had to repay the loan he had taken from Mr. Spingos.

In order to ensure that Mr. Spingos was paid on time, I agreed to take an assignment of the debt owing by Mr. Ismael to Mr. Spingos, including all of Mr. Spingos' security (i.e.: the Promissory Note and the GSA).

On December 28, 2016, I entered into an assignment agreement with Mr. Spingos, under which Mr. Spingos assigned the Promissory Note and General Security Agreement to me (Exhibit "15"). I have since registered my security interest against Mr. Ismael under the *Personal Property Security Act*.

As indicated in the Promissory Note, the loan became due on January 1, 2017. Mr. Ismael defaulted on his payment obligation by failing to repay any part of the loan.

I instructed my then-lawyer, David Fogel to take steps to recover the debt owed to me by Mr. Ismael. On January 20, 2017, Mr. Fogel emailed Mr. Ismael's lawyer, Ryan Hanna, a statement setting out the amounts owed to me by Mr. Ismael (Exhibit "16"). The discharge statement issued to Mr. Ismael included the following amounts:

Principal Sum:	\$108,900.00
Interest to December 28, 2016:	\$501.20
Interest from December 29, 2016 to December 31, 2016:	\$53.70
Lender's Fees as of January 1, 2017:	\$13,134.59

Interest (January 1, 2017 to January 27, 2017)	\$485.80
Insurance Payment for 2017:	\$2,841.95
Administration Fee for Insurance:	\$500.00
Legal Fees:	\$14,125.00
PPSA Discharge Fee:	\$1,695.00
Total Amount Owing:	\$142,237.24

Mr. Ismael sought to dispute amounts owing under the discharge statement that I issued. As a result, Mr. Ismael tendered payment totaling only \$110,400.70.

As a result, I am owed \$31,836.54 plus accrued interest from Mr. Ismael in order to satisfy his loan. That amount is the deficiency between what Mr. Ismael paid and the amount set out in my January 20, 2017 discharge statement⁴. To February 1, 2019, interest totaling \$3,844.05⁵ will have accrued on this amount in accordance with the Promissory Note bringing the total amount owing by Mr. Ismael to \$35,680.59.

2. Legal Fees Secured by the GSA:

I was aware of Mr. Ismael's financial situation in 2016 and it was clear to me well in advance of Mr. Spingos' loan becoming due that Mr. Ismael would not be able to repay Mr. Spingos.

When I knew that I would have to take an assignment of Mr. Spingos loan and the GSA, I retained Mr. Fogel in order to begin the process of seeking to wind up the Company. In my view, a winding up was necessary both in order to protect my interest in the Company's equity, and to protect my ability to recover the loan amount.

Mr. Ismael's claim to the equity in the company was, in my view, his only means of repaying that loan. Given this, I believe that all of the fees I paid to Mr. Fogel's firm are also recoverable under the GSA. In particular, I rely on section 4 of the GSA, which provides that I may recover **all** of my legal fees.

Mr. Fogel's fees totaled \$32,144.04. Copies of Mr. Fogel's 3 invoices are attached as Exhibit "17", Exhibit "18", and Exhibit "19", respectively. Each of Mr. Fogel's invoices has been paid in full.

On or about October 12, 2018, I retained Robert B. Macdonald of Fogler Rubinoff LLP to act as my counsel in this matter. Mr. Macdonald issued an account for his services on October 30, 2018

⁴ As can be seen from the discharge statement that Mr. Fogel issued on my behalf, I claimed the insurance premium that I paid against Mr. Ismael. I am not seeking to recover that amount twice. If it is repaid through my shareholder loan claim, then I acknowledge that Mr. Ismael should not be responsible for it.

⁵ Interest has been calculated for the period from January 27, 2017 to February 1, 2019.

which totaled \$6,774.35. A true copy of Mr. Macdonald's October 30, 2018 invoice is attached as Exhibit "20". Mr. Macdonald's invoice has been paid in full⁶.

My legal costs in seeking to have Mr. Ismael satisfy his loan obligations continue to accrue.

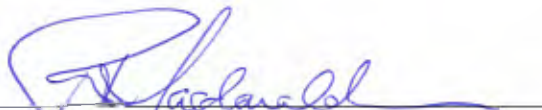
Under the terms of the GSA, I am entitled to be paid these amounts (i.e. both the deficiency amount and the legal fees) **in priority to Mr. Ismael receiving any amount on account of his shareholder loans (if any) to 2497486 Ontario Limited.** I rely in full on the terms of the GSA and in particular the following provisions:

...the Debtor grants to the Holder the following described property...:

Accounts Receivable

All debts, accounts, claims, monies and choses in action which now are or which may at any time hereafter be due or owing to or owned by the Debtor, and also all securities, bills, notes and other documents now held or owned by the Debtor or anyone on behalf of the Debtor in respect of the said debts, claims, monies and choses in action or any part hereof, and also all books and papers recording, evidencing or relating to said debts, accounts, claims, monies and choses in action or any part thereof including all of the Debtor's shares in 2497486 Ontario Limited... [emphasis in original]

SWORN BEFORE ME at the City of
Toronto, in the Province of Ontario on
January 2, 2019.

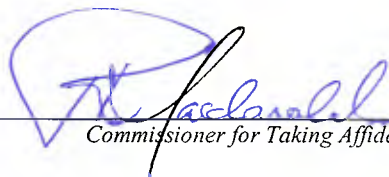

Commissioner for Taking Affidavits
(or as may be)

GOSIB .


ABBAS MOHAMMAD

⁶ My election to produce unredacted copies of my lawyers' invoices should not be taken as a waiver of solicitor-client privilege, which I reserve.

This is Exhibit "1" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

This Agreement of Purchase and Sale dated this 16 day of October 2015

BUYER, Stephen Celestial (Full legal names of all Buyers), agrees to purchase from

SELLER, Can-Rad Beauty Limited (Full legal names of all Sellers), the following

REAL PROPERTY:

Address: 1028 BLOOR ST W fronting on the North side of Bloor St W in the City of Toronto and having a frontage of 20 ft more or less by a depth of 122 ft more or less and legally described as Plan 622 Blk F Pt Lots 5&6

(Legal description of land including easements not described elsewhere) (the "property").

PURCHASE PRICE:

Dollars (CDN\$) 1,250,000.00

One Million Two Hundred Fifty Thousand Dollars

DEPOSIT: Buyer submits Upon Acceptance (Herewith/Upon Acceptance/as otherwise described in this Agreement)

One Hundred Thousand Dollars (CDN\$) 100,000.00

by negotiable cheque payable to HOMELIFE/CIMERMAN REAL ESTATE LIMITED "Deposit Holder" to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A and B attached hereto form(s) part of this Agreement.

1. IRREVOCABILITY: This offer shall be irrevocable by seller until 5 p.m. on the 19 day of October 2015, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the 30 day of December 2015. Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S):

[Handwritten initials of buyer]

INITIALS OF SELLER(S):

[Handwritten initials of seller]

3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.: 416-538-9304
(For delivery of Documents to Seller)

FAX No.: 416-222-1237
(For delivery of Documents to Buyer)

Email Address: leon@schaumer.ca
(For delivery of Documents to Seller)


Email Address: l.cabason@gmail.com
(For delivery of Documents to Buyer)

4. **CHATELS INCLUDED:**

All Existing Appliances, Light Fixtures And Equipment Belonging To The Seller.

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:**

ALL FIXTURES BELONGING TO THE TENANTS 

6. **RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

hot water tank(s) if rental

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, if applicable, is not included in the Purchase Price.

8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the 21 day of December, 2015, (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use [Retail With Residential Units] may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

INITIALS OF BUYER(S): 

INITIALS OF SELLER(S): 



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9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.
11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.
12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.

INITIALS OF BUYER(S):

[Handwritten initials]

INITIALS OF SELLER(S):

[Handwritten initials] ✓



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16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
17. **RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
 (b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
20. **PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
21. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
22. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless Seller's spouse has executed the consent hereinafter provided.
23. **UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
24. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
25. **CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
26. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
27. **TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):



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28. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) Al Cohen (Buyer/Authorized Signing Officer) Setha A. Christie DATE Oct 16, 2015
 (Witness) (Buyer/Authorized Signing Officer) (Seal) (Seal)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

(Witness) [Signature] (Seller/Authorized Signing Officer) [Signature] DATE Oct 18, 2015
 (Witness) (Seller/Authorized Signing Officer) (Seal) (Seal)

SPOUSAL CONSENT: The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness) (Spouse) (Seal) DATE

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at 3:00 a.m. this 20th day of October, 2015.
[Signature]
 (Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage HOMELIFE/CIMERMAN REAL ESTATE LIMITED	Tel.No. (416) 534-1124
909 BLOOR STREET WEST TORONTO	LEON SCHAUMER (Salesperson / Broker Name)
Co-op/Buyer Brokerage RE/MAX REALTRON REALTY INC.	Tel.No. (416) 222-8600
183 WILLOWDALE AVE. TORONTO	LORENZO CABASON (Salesperson / Broker Name)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.
 (Seller) DATE
 (Seller) DATE
 Address for Service: Tel.No.
 Seller's Lawyer: Address: Email:
 Tel.No. FAX No.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.
 (Buyer) DATE
 (Buyer) DATE
 Address for Service: Tel.No.
 Buyer's Lawyer: Address: Email:
 Tel.No. FAX No.

FOR OFFICE USE ONLY **COMMISSION TRUST AGREEMENT**
 To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:
 In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.
 DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:
[Signature] [Signature]
 (Authorized to bind the Listing Brokerage) (Authorized to bind the Co-operating Brokerage)

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Stephen Celestial, and

SELLER, Can-Rad Beauty Limited

for the purchase and sale of 1028 BLOOR ST W Toronto

M6H 1M2 dated the 16 day of October 2015

Buyer agrees to pay the balance as follows:

The Buyer agrees to pay the balance of the purchase price, subject to adjustments, to the Seller on completion of this transaction, with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.

This Offer is conditional upon the inspection of the subject property by a home inspector at the Buyer's own expense, and the obtaining of a report satisfactory to the Buyer in the Buyer's sole and absolute discretion. Unless the Buyer gives notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than ten (10) business days after acceptance of this offer, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. The Seller agrees to co-operate in providing access to the property for the purpose of this inspection. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller as aforesaid within the time period stated herein.

This Offer is conditional upon the Buyer arranging, at the Buyer's own expense, financing satisfactory to the Buyer in the Buyer's sole and absolute discretion. Unless the Buyer gives notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than ten (10) business days after acceptance of this offer, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of the Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller as aforesaid within the time period stated herein.

This Offer is conditional upon the approval of the terms hereof by the Buyer's Solicitor. Unless the Buyer gives notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale or any Schedule thereto not later than three (3) business days after acceptance, that this condition is fulfilled, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without deduction. This condition is included for the benefit of Buyer and may be waived at the Buyer's sole option by notice in writing to the Seller as aforesaid within the time period stated herein.

Upon acceptance of this Offer, the Seller agrees to provide the Buyer with copies of all leases on the property. Upon review by the Buyer, if the terms of said leases are unacceptable to the Buyer, in the Buyer's sole and absolute discretion, the Buyer shall have the right to terminate this Agreement by notice in writing delivered to the Seller personally or in accordance with any other provisions for the delivery of notice in this Agreement of Purchase and Sale

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Stephen Celestial, and

SELLER, Can-Rad Beauty Limited

for the purchase and sale of 1028 BLOOR ST W Toronto

M6H 1M2 dated the 16 day of October 2015

or any Schedule thereto not later than ten (10) business days after acceptance of this offer, and the deposit shall be returned to the Buyer in full without deduction.

Unless otherwise agreed between the Buyer and the Seller, the Seller shall not renegotiate any leases after this Agreement becomes unconditional.

Upon completion, the Seller shall provide the Buyer with a notice to all tenants advising them of the new owner and requiring all future rents to be paid as the Buyer directs. The Seller will pay to the Buyer any rent paid to the Seller in error or in violation of the direction for a period of three (3) months following completion, after which period the Seller may refuse to accept rent from tenants or return it to them.

Seller agrees to credit Buyer on closing with any deposits held in support of the lease (last month's rent and/or security deposit).

The Seller agrees to provide, at the expense of the Seller, a survey of the property, completed by an Ontario Land Surveyor, showing the current location of all buildings, structures, additions, fences, improvements, easements, rights-of-way and encroachments affecting the property. If Available, the Seller also agrees to supply all building plans, mechanical drawings, and any other plans, and all warranties and service manuals, if available, applicable to any equipment or chattels included in the purchase price.

The Seller warrants that all the mechanical, electrical, heating, ventilation, air conditioning systems, and all other equipment on the real property shall be in good working order on completion. The Parties agree that this warranty shall survive and not merge on completion of this transaction, but apply only to those circumstances existing at the completion of this transaction. The Seller represents and warrants to the best of the Seller's knowledge and belief that during the period of his ownership of the property, that all environmental laws and regulations have been complied

THE BUYER IS ASSUMING ALL FUTURE TENANCIES ON CLOSING

IF AVAILABLE

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, Stephen Celestial and

SELLER, Can-Rad Beauty Limited

for the purchase and sale of 1028 BLOOR ST W Toronto

M6H 1M2 dated the 16 day of October, 2015

with, no hazardous conditions or substances exist on the land, no limitations or restrictions affecting the continued use of the property exist, other than those specifically provided for herein, no pending litigation respecting Environmental matters, no outstanding Ministry of Environment Orders, investigations, charges or prosecutions regarding Environmental matters exist, there has been no prior use as a waste disposal site, and all applicable licences are in force. The Seller agrees to provide to the Buyer upon request, all documents, records, and reports relating to environmental matters that are in the possession of the Seller. The Seller further authorizes to release to the Buyer, the Buyer's Agent or Solicitor, any and all information that may be on record in the Ministry office with respect to the said property. The Parties agree that this representation and warranty shall form an integral part of this Agreement and survive the completion of this transaction, but apply only to circumstances existing at completion of this transaction. The Parties to this Agreement acknowledge that the real estate Broker(s) so named in this Agreement has recommended that the Parties obtain independent professional advice prior to signing this document. The Parties further acknowledge that no information provided by such real estate Broker(s) is to be construed as legal, tax or environmental advice. The Seller warrants that the lands are zoned under bylaws for the municipality of Toronto for their present use.

Buyer and Seller agree that prior to or at the time of closing, they shall both be registrants under the Harmonized Sales Tax Act ("H.S.T.") and that they shall supply one another with their H.S.T. numbers. Furthermore, both Buyer and Seller shall execute on or before the closing the necessary exemption form and documentation required by the Seller's solicitor, so that they Buyer shall not have to remit on closing applicable H.S.T. in this transaction. Buyer further undertakes to remit any H.S.T. to the appropriate regulatory authorities respecting this transaction, if necessary. This undertaking shall survive closing and not merge on closing.

This form must be initiated by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

Schedule Agreement of Purchase and Sale

Form 105 for use in the Province of Ontario

This Schedule B is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, STEPHEN CELESTIAL

SELLER, CAN-RAD DONUTS LIMITED

for the property known as 1018 Bloor St W, TORONTO, ON

Agreement of Purchase and Sale dated October 17, 2015

Handwritten signatures and initials, including 'ME' and 'MCH 142'.

THE BUYER(S) AGREE TO: Deliver a certified cheque or bank draft to HomeLife/Cimerman Real Estate Ltd., Brokerage on account of the deposit together with this Agreement of Purchase and Sale upon acceptance of this offer. Uncertified deposits will not be accepted by the Brokerage.

The parties to this Agreement, hereby acknowledge and agree to the Deposit Holder shall place the deposit in it real-estate trust account, which does not earn any interest. The Deposit Holder shall not pay any interest on monies held as it does not earn any interest.

The Buyer and the Seller agree and/or acknowledge the information provide by Homelife/Cimerman Real Estate Ltd. Brokerage (1) is not to be construed as expert legal, financial, tax, building condition, zoning, construction, environmental or other professional advice that they have had the opportunity to consult with any such professional advisors prior to signing this agreement; (2) that all the measurements and information provided in the MLS listing feature sheet and any other marketing materials have been obtained through sources deemed reliable; however they have been provided for information purposes only and as such, the Brokerage does not warrant their accuracy. The Buyer is advised to verify any measurements or information upon which he or she is relying upon.

The Buyer and Seller acknowledge that the types of representation as defined in the Real Estate and Business Brokers Act, 2002 were explained prior to the execution of this Offer, and the Confirmation of Cooperation and Representation was completed prior to the Offer being signed by the Buyer and reviewed and signed by the Seller.

The parties hereto agree to allow the Listing and the Selling Brokerages to distribute and use sale related information regarding this property, including sale price before the day of closing, in future marketing materials.

Seller warrants the to the best of his knowledge the home has never been used as a marijuana grow operation or a drug laboratory.

In the event of the Mutual Release, the Buyer acknowledges that all funds will be returned after the full bank clearing period. For certified funds the period is five (5) banking days.

The Buyer and Seller hereby acknowledge that the City of Toronto has implemented a new land transfer tax on all properties in the amalgamated City of Toronto. This tax is over and above the current Ontario Land Transfer Tax.

The Brokerages named in the attached Confirmation of Cooperation and Representation warrant that they have fully complied with the FINTRAC requirements for the customer/client identification by reference to original government issued photo identification, or such other means as approved under the regulations, including name, address, date of birth, occupation and employment and have such information on file and available for inspection.

Continued on page 2...

This page must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

Handwritten initials of the buyer, 'SC'.

INITIALS OF SELLER(S):

Handwritten initials of the seller, 'MCH'.

Schedule Agreement of Purchase and Sale

Form 105 for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER, STEPHEN CELESTIAL, and SELLER, CAN-RAD BEAUTY LIMITED for the property known as 1028 Bloor St. W. TORONTO, ON Agreement of Purchase and Sale dated October 19, 2015

Continued from page 1...

The Buyer and Seller agree that the terms "Banking Days" shall mean any day, other than Saturday, or Sunday, or statutory holiday in the province of Ontario or the country of Canada.

The Seller hereby acknowledges that it may be requirement of the Buyer's lender to have an appraiser access the subject property prior to closing. The seller covenants and agrees to provide the appraiser representing the Buyer's lender with access to the subject property, for such purposes. Access to the property shall be deemed to include the dwelling and any outbuildings, as may be required.

The co-operating Broker and the Buyer acknowledge that Homelife/Cimerman Real Estate Ltd., Brokerage will retain a copy of this offer as required by Rebbra 2002 Section 35 (2) Records, as proclaimed on July 1, 2015

This page must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

[Handwritten initials]

INITIALS OF SELLER(S):

[Handwritten initials]

Confirmation of Co-operation and Representation

Form 320 for use in the Province of Ontario

BUYER: Stephen Celestial

SELLER: Can-Rad Beauty Limited

For the transaction on the property known as: 1028 BLOOR ST W Toronto M6H 1M2

For the purposes of this Confirmation of Co-operation and Representation, "Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant, "sale" includes a lease, and "Agreement of Purchase and Sale" includes an Agreement to Lease.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

DECLARATION OF INSURANCE: The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act, 2002 (REBBA 2002) and Regulations.

1. LISTING BROKERAGE

- a) The Listing Brokerage represents the interests of the Seller in this transaction. It is further understood and agreed that:
- 1) The Listing Brokerage is not representing or providing Customer Service to the Buyer.
(If the Buyer is working with a Co-operating Brokerage, Section 3 is to be completed by Co-operating Brokerage)
 - 2) The Listing Brokerage is providing Customer Service to the Buyer.
- b) **MULTIPLE REPRESENTATION:** The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage. However, the Listing Brokerage shall not disclose:
- That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
 - That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
 - The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
 - The price the Buyer should offer or the price the Seller should accept;
 - And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer.

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage: [e.g. The Listing Brokerage represents more than one Buyer offering on this property.]

2. PROPERTY SOLD BY BUYER BROKERAGE – PROPERTY NOT LISTED

- The Brokeragerepresent the Buyer and the property is not listed with any real estate brokerage. The Brokerage will be paid [does/does not]
- by the Seller in accordance with a Seller Customer Service Agreement
- or: by the Buyer directly

Additional comments and/or disclosures by Buyer Brokerage: [e.g. The Buyer Brokerage represents more than one Buyer offering on this property.]

INITIALS OF BUYER(S)/SELLER(S)/BROKERAGE REPRESENTATIVE(S) (Where applicable)


BUYER


CO-OPERATING/BUYER BROKERAGE


SELLER


LISTING BROKERAGE

3. Co-operating Brokerage completes Section 3 and Listing Brokerage completes Section 1.

CO-OPERATING BROKERAGE- REPRESENTATION:

- a) The Co-operating Brokerage represents the interests of the Buyer in this transaction.
- b) The Co-operating Brokerage is providing Customer Service to the Buyer in this transaction.
- c) The Co-operating Brokerage is not representing the Buyer and has not entered into an agreement to provide customer service(s) to the Buyer.

CO-OPERATING BROKERAGE- COMMISSION:

- a) The Listing Brokerage will pay the Co-operating Brokerage the commission as indicated in the MLS® information for the property 2.5% to be paid from the amount paid by the Seller to the Listing Brokerage.
(Commission As Indicated In MLS® Information)
- b) The Co-operating Brokerage will be paid as follows:

Additional comments and/or disclosures by Co-operating Brokerage: (e.g., The Co-operating Brokerage represents more than one Buyer offering on this property.)

Commission will be payable as described above, plus applicable taxes.

COMMISSION TRUST AGREEMENT: If the above Co-operating Brokerage is receiving payment of commission from the Listing Brokerage, then the agreement between Listing Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller. This Commission Trust Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission trusts of the Listing Brokerage's local real estate board, if the local board's MLS® rules and regulations so provide. Otherwise, the provisions of the OREA recommended MLS® rules and regulations shall apply to this Commission Trust Agreement. For the purpose of this Commission Trust Agreement, the Commission Trust Amount shall be the amount noted in Section 3 above. The Listing Brokerage hereby declares that all monies received in connection with the trade shall constitute a Commission Trust and shall be held, in trust, for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

RE/MAX REALTRON REALTY INC.
(Name of Co-operating/Buyer Brokerage)
 183 WILLOWDALE AVE. TORONTO
 Tel: (416) 222-8600 Fax: (416) 222-1237
 Date: _____
(Authorized to bind the Co-operating/Buyer Brokerage)
 LORENZO CABASON
(Print Name of Broker/Salesperson Representative of the Brokerage)

HOMELIFE/CIMERMAN REAL ESTATE LIMITED
(Name of Listing Brokerage)
 909 BLOOR STREET WEST TORONTO
 Tel: (416) 534-1124 Fax: (416) 538-9304
 Date: Oct 20, 2015
(Authorized to bind the Listing Brokerage)
 LEON SCHAUMER
(Print Name of Broker/Salesperson Representative of the Brokerage)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction)

The Buyer/Seller consent with their initials to their Brokerage representing more than one client for this transaction.

BUYER'S INITIALS SELLER'S INITIALS

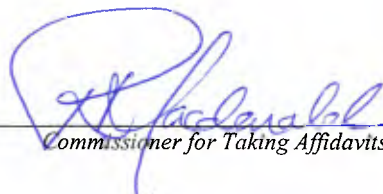
ACKNOWLEDGEMENT

I have received, read, and understand the above information.

Joseph Cellistal Date: Oct 16, 2015 Wise Date: Oct 18, 2015
(Signature of Buyer) (Signature of Seller)

_____ Date: _____
(Signature of Buyer) (Signature of Seller)

This is Exhibit "2" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

Form 120 for use in the Province of Ontario

BETWEEN BUYER: Stephen Celestial

AND SELLER: Can-Rad Beauty Limited

RE: Agreement of Purchase and Sale between the Seller and Buyer, dated the 3rd day of November, 2015

concerning the property known as 1028 BLOOR ST W

Toronto M6J 1M2 as more particularly described in the aforementioned Agreement

The Buyer(s) and Seller(s) herein agree to the following Amendments to the aforementioned Agreement:

SEVENTY FIVE THOUSAND ~~ONE HUNDRED AND TWENTY FIVE THOUSAND~~ 75,000.00

The buyer hereby requests a reduction of ~~One Hundred and Twenty Five thousand dollars CAD (\$125,000)~~ to cover for the extensive cost of repairs that need to be done to the building. Majority of the repairs are structural and safety related in nature.

As per inspection report for the property, there are major, medium, and minor repairs that need to be done.

- Minor - \$0 to \$1000.00
- Medium- \$1001.00 to \$10,000.00.
- Major - An intense evaluation of repair with an estimate is recommended.

Major roof repairs, major and medium repairs to the exterior, major repairs to structure (foundation, floor joists, walls), medium and minor costs to electrical, major and minor costs to heating (asbestos, oil furnace, hot water boiler), minor cooling costs, minor costs to insulation, medium and minor costs to plumbing, and minor and major costs to interior.

Residential units are not up to code, in that, there is no evidence of fire inspection(tags), no fire extinguishers, no smoke/carbon monoxide detectors, no sprinklers, lock on every door on 2nd level which indicates boarding house (illegal without proper permits), locked doors are fire retardant, residential front door needs replacing, insufficient lighting in fire escape.

INITIALS OF BUYER(S):

SC

INITIALS OF SELLER(S):

CR

12:30
 [Handwritten initials]
 5
 [Handwritten initials]

IRREVOCABILITY: This Offer to Amend the Agreement shall be irrevocable by the seller [Signature] until [Signature] on the 15th day of November 2015, after which time, if not accepted, this Offer to Amend the Agreement shall be null and void.

For the purposes of this Amendment to Agreement, "Buyer" includes purchaser and "Seller" includes vendor. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or obliged by an agreement in writing signed by Seller and Buyer or by their respective solicitors who are hereby expressly appointed in this regard. All other Terms and Conditions in the aforementioned Agreement to remain the same.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal
 [Signature] [Signature]
 [Witness] [Buyer/Seller]
 DATE: Nov. 3/15
 DATE:

I, the Undersigned, agree to the above Offer to Amend the Agreement.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal
 [Signature] [Signature]
 [Witness] [Buyer/Seller]
 DATE: NOV 4 - 2015
 DATE:

The Undersigned Spouse of the Seller hereby consents to the Amendments hereinbefore set out
 [Signature] [Spouse] DATE:

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Amendment to Agreement with all changes both typed and written was finally accepted by all parties on 4th day of November 2015

(Signature of Seller or Buyer)

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer
 [Signature] DATE
 [Signature] DATE
 Address for Service
 Tel No.
 Seller's Lawyer
 Address
 Email
 Tel No. FAX No.

I acknowledge receipt of my signed copy of this accepted Amendment to Agreement and I authorize the Brokerage to forward a copy to my lawyer
 [Signature] DATE NOV. 4/15
 [Signature] DATE
 Address for Service
 Tel No.
 Buyer's Lawyer
 Address
 Email
 Tel No. FAX No.

R The Brokerage (CIBC) Real Estate Services (RES) are controlled by the Company Real Estate Agency (CREA) and solely and exclusively responsible to the members of CREA. CREA is a member of the Real Estate Council of Ontario (RECO). This form was developed by CREA for the use and protection of its members and is not intended to be used for any other purpose. CREA does not hold a license to practice law.

This is Exhibit "3" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

10358 (1013)

Customer's Record of Draft Purchased

The Toronto-Dominion Bank

73629547

2428 Eglinton Avenue East
Toronto, ON M1K 2P7

DATE

2015-10-07
YYYYMMDD

Transit-Serial No.

1488-73629547

Pay to the
Order of

HOMELIFE/CIMERMAN REAL ESTATE LTD

\$

****100,000.00

ONE HUNDRED THOUSAND**00/100 Canadian Dollars

Authorized signature required for amounts over CAD \$5,000.00

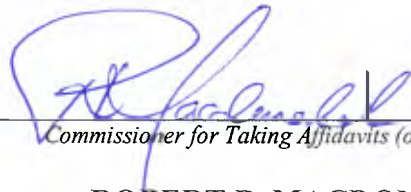
Re

The Toronto-Dominion Bank
Toronto, Ontario
Canada M5K 1A2

Receipt Only - Non Negotiable

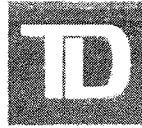
Please retain for presentation in event Original lost

This is Exhibit "4" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD



Canada Trust

Branch: 1488 TOR EGLINTON &
KENNEDY
2428 EGLINTON AVE EAST
SCARBOROUGH, ON

Date: Oct 7, 2015, 01:27 PM
Ref #: 00160603/8 - ZPAT

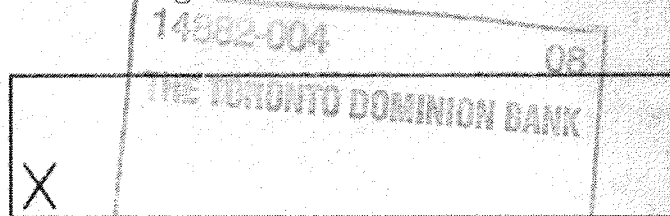
From: 1074-50***85
Debit Memo
2164971 ONT
100,007.50

To: Draft
HOMELIFE/CIMERMAN
REAL ESTATE LTD
73629547 AFX Ref #
152800014
100,000.00

To: 1488-470 Draft Commercial
Fee
7.50

Account Balance:
1074-50***85: 46,590.84

Customer Signature



OCT 07 2015
Banking can be this comfortable
EGLINTON @ KENNEDY ROAD
2428 EGLINTON AVE EAST
SCARBOROUGH, ONTARIO M1K 2P7



Canada Trust

Branch: 1488 TOR EGLINTON &
KENNEDY
2428 EGLINTON AVE EAST
SCARBOROUGH, ON

Date: Oct 7, 2015, 01:29 PM
Ref #: 00160606/8 - ZPAT

From: 1488-470 Draft
Commercial Fee
(Branch Paid)

7.50

To: 1074-50***85
Draft Commercial
2164971 ONT

7.50

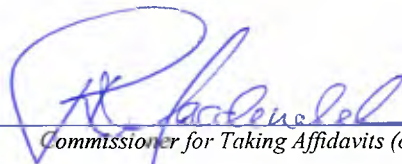
Account Balance:
1074-50***85: 46,598.34

Customer Signature

X

Banking can be this comfortable

This is Exhibit "5" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD



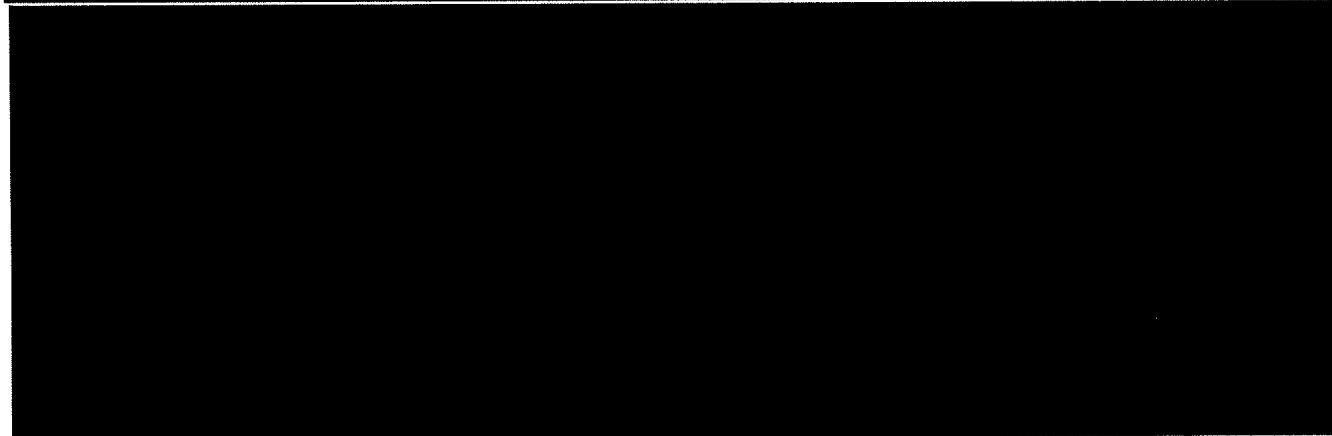
BAYVIEW & REDSTONE
 10381 BAYVIEW AVENUE
 RICHMOND HILL, ON L4C 0R9

TD Canada Trust

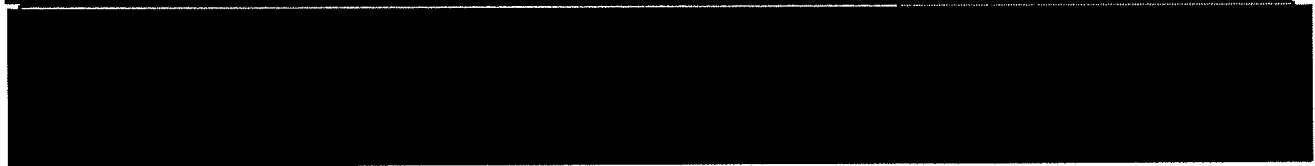
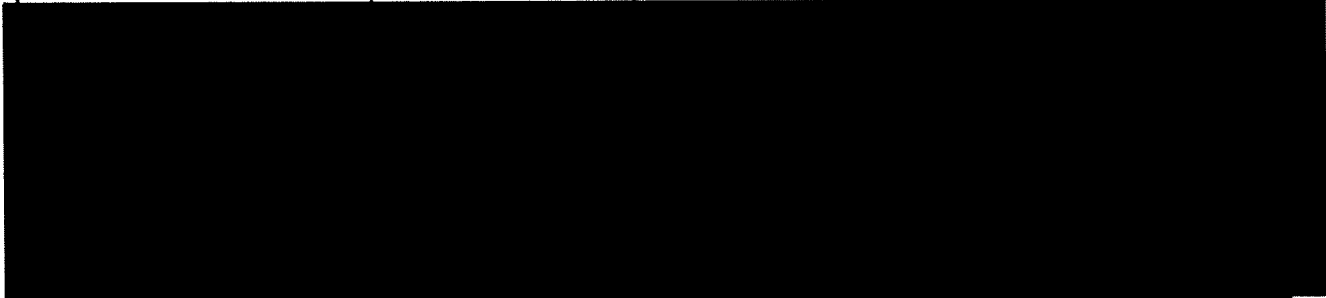
Tel: 1-866-222-3456
 TTY: 1-800-361-1180

TDCDA71400_2862965_003 E R 01074 09952

2164971 ONTARIO INC.
 259 BOAKE TRAIL
 RICHMOND HILL ON L4B 4B4



CAD DRAFT 73629547	100,007.50	OCT07	
DRAFT COMMERCIAL		7.50	OCT07



-
-
-

Please ensure that you report in writing any errors or irregularities found within this statement within 30 days of the statement date. If you do not, the statement of account shall be conclusively deemed correct except for any amount credited to the account in error.

Accounts issued by: THE TORONTO-DOMINION BANK

This is Exhibit "6" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD



Angelos Spingos, Hons B.A., J.D.
Barrister, Solicitor & Notary Public

November 7, 2016

2497486 Ontario Limited
16 Foundry Avenue
Suite 201
Toronto, ON
M6H 0A9

Re: Your purchase from Can-Rad Beauty Limited
1028 Bloor Street West, Toronto
My File No.: SL15236

TRUST LEDGER STATEMENT

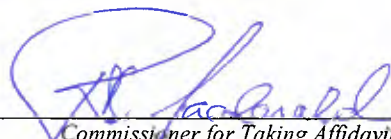
Received from 1st mortgagee - Equitable Bank			
Principal of Mortgage	900,000.00		
Holdback	-75,000.00		
Other Adjustments	-17,730.02		\$807,269.98
Matter to matter transfer from Abbas sale			310,684.70
Received from Stephen Celestial			15,000.00
Paid to vendor on closing		\$1,095,328.90	
Paid Ontario and Toronto Land Transfer Tax		32,200.00	
Paid legal fees and disbursements – Angelos Spingos		5,425.78	
		<u>\$1,132,954.68</u>	<u>\$1,132,954.68</u>

THIS IS MY STATEMENT HEREIN

Angelos Spingos

AS:hg
E. & O. E.

This is Exhibit "7" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

PROMISSORY NOTE

TO: Nicolas Spingos, 2600 St. Clair Ave. E, Toronto, ON Date: December 29, 2015

Amount: \$108,900.00

FOR VALUE RECEIVED, the undersigned, MUSTAFA ISMAEL promises to pay, on demand, to the order of Nicolas Spingos ("the Lender") the sum of

**ONE HUNDRED AND EIGHT THOUSAND NINE HUNDRED AND
00/100/DOLLARS (\$108,900.00)**


with interest from the date hereof calculated and payable monthly on an interest only basis, at the rate equal to Six percent (6%) per annum, both before and after demand and until actual payment at the office of Angelos Spingos at 200-100 Consilium Place, Toronto, ON, M1H 3E3.

Payments will be \$544.50 monthly, beginning February 1, 2016 until repayment of the loan is paid in full. *This loan is due January 1, 2017. Renewal is at the MI lender's sole discretion*

PRESENTMENT, protest, notice of protest and notice of dishonour are hereby waived.

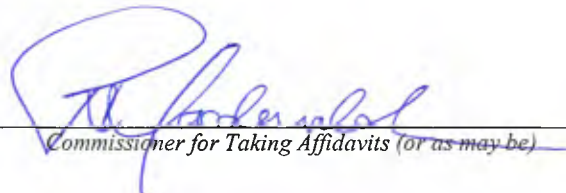
IF this note is signed by more than one party, the obligations hereunder of each of the undersigned, shall be joint and several.


Witness to all Signatures


Mustafa Ismael

Date: December 29, 2015

This is Exhibit "8" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

PROMISSORY NOTE

TO: Nicolas Spingos, 2600 St. Clair Ave. E, Toronto, ON Date: December 29, 2015
AMOUNT: \$102,600.00

FOR VALUE RECEIVED, the undersigned STEPHEN CELESTIAL, promise(s) to pay, on demand, to the order of Nicolas Spingos ("the Lender") the sum of


ONE HUNDRED AND TWO THOUSAND SIX HUNDRED AND 00/100/DOLLARS (\$102,600.00)

with interest from the date hereof calculated and payable monthly on an interest only basis, at the rate equal to Six percent (6%) per annum, both before and after demand and until actual payment at the office of Angelos Spingos.

Payments will be \$513.00 monthly, beginning February 1, 2016 until repayment of the loan is paid in full.

PRESENTMENT, protest, notice of protest and notice of dishonour are hereby waived.

IF this note is signed by more than one party, the obligations hereunder of each of the undersigned, shall be joint and several.



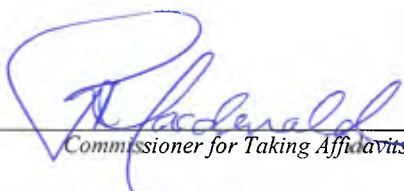
Witness to all Signatures



Stephen Celestial

Date: December 29, 2015

This is Exhibit "9" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

Final Notice – Immediate Action Required

Your Policy Type is: Business Insurance



Policy Period	Payment Plan	Due Date	Amount Due
30 Dec 2016 to 30 Dec 2017	One Pay	05 Feb 2017	\$2,716.20

2497486 ONTARIO LIMITED
259 BOAKE TRAIL
RICHMOND HILL ON L4B 4B4

intact.ca

Policy Number 5 01360992 6793
Broker ID 50372

Invoice Date
16 Jan 2017

**Have Questions?
Contact Your Broker:**

905 507 2424

JAMES WASHINGTON INSURANCE BROKERS
A DIV OF LANDRY MELLOW INSURAN
75 WATLINE AVE., UNIT 145
MISSISSAUGA, ON. L4Z 3E5

JWASHINGTON@LANDRYINSURANCE.COM

This Concerns You

- ✓ Please make payment immediately to avoid cancellation of insurance.
- ✓ If you've already sent us your payment, please disregard this notice and accept our thanks.

Your Account Detail

Effective Date	Description	Amount
	Prior Balance	\$2,716.20
	New Balance	\$2,716.20

By keeping sufficient funds available in your account, you avoid being charged a \$40 fee.
Please allow 5 business days for us to receive all payments.

**Facing an
Emergency Situation?**

Call: 1 866 464 2424



▼ Detach here and return the Payment Slip with your payment. ▼

Additional terms and conditions on reverse →



Intact Insurance Company
PO BOX 4254 STN A
TORONTO, ONTARIO
M5W 5S6

Client
2497486 ONTARIO LIMITED

Policy Number 5 01360992 6793
Broker ID 50372

Payment Slip

One Pay Plan:
Amount Due \$2,716.20

- **Credit Card Option:**
Please follow payment instructions on the back.
- **Internet Payment Option:**
Please include your policy number when making this payment over the internet through your Financial Institution.

Payment Due Date
05 Feb 2017

Amount Being Paid

\$ _____

If paying by cheque:

- ✓ Make cheque payable to:
Intact Insurance
- ✓ Write your policy number on your cheque.

00501360992679302051700002716203

Additional terms and conditions on reverse →

Choose When You Pay

- Monthly Pay (If Eligible)**
- Payments are divided equally and are automatically withdrawn from your bank account.
 - You will receive a schedule of your monthly instalments.
 - The withdrawal date is the same as your policy effective date, but can be changed to suit your needs.
 - You will receive a new schedule if there is a change to your policy.
- One Pay EFT (If Eligible)**
- Payment is withdrawn each year on policy effective date.

Method of Payment

- Automatic monthly withdrawals from your bank account.
- A 3% interest charge applies.
- Refer to "Interest and Fees" section below.

One Pay • One annual payment, due at the start of your policy period.

- Three Pay (If Eligible)**
- Divide your premium, including taxes when applicable, by 3.
 - 1st payment (plus \$35 instalment fee) due at the start of your policy.
 - 2nd payment due 3 months later.*
 - 3rd payment due 6 months later.*
- * We will send you a reminder when your payment is due.
* Post dated cheques are accepted.

- Internet and telephone banking through your Financial Institution.
- Cheque or money order.
- Credit Card One Time Payment.
- Credit Card Automatic Payment Visa or Mastercard.

What if I make Changes?

Talk to your Broker about any changes to:

- **Your policy**
Once the change is processed, you will receive an updated summary of your account, payment dates and new amount due.
- **Your bank or chequing account**
We need 14 days' notice if your account information changes or you switch to a different bank, trust company or credit union.

Interest and Fees

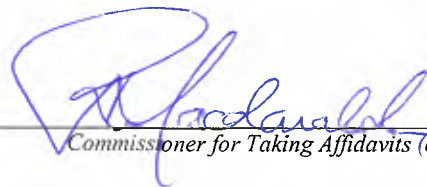
- An interest rate of 3% of the total premium, which is equivalent to an annual percentage rate of 6.40%, as may be varied by applicable provincial law, endorsements or other policy amendments, is applied in monthly instalments over the term of the policy.
- A \$40 fee is charged due to insufficient or unavailable funds.
- A \$40 fee is charged to reinstate a cancelled policy, if applicable.
- A \$35 instalment fee is charged to the 'Three Pay' plan.

I have authorized Intact Insurance Company, or its affiliates, successors, assignees or transferees ("Intact"), to begin automatic deductions for payment of insurance premiums. I have waived the right to receive pre-notification of the amount/timing of the PAD prior to the debit being processed. I may cancel this authorization at any time by providing 10 days notice. I have certain recourse rights if any debit does not comply with this agreement (e.g. right to reimbursement). To obtain more information on my cancellation rights (including a sample cancellation form) and/or my recourse rights, I may contact my financial institution or visit www.cdnpay.ca. I have authorized my broker/insurance company to collect, use and disclose my personal information (PI) provided in this document and as I may otherwise provide, subject to laws and to my broker's/insurance company's policy regarding PI, for the purpose of facilitating the payment of insurance premiums. I have confirmed that all individuals whose PI is contained in this document have consented to the collection, use and disclosure of their PI including, without limitation, for electronic funds transfer, and have authorized me to agree to the above on their behalf.

Personal PAD _____ Business PAD _____

Apply for Automatic Payments 1. Complete and sign this authorization. 2. Send it to us, along with one void personal cheque.	One Pay <input type="checkbox"/> Monthly Pay <input type="checkbox"/> Authorization ** One Void Cheque Required **	
	Name of Bank Account Holder	Signature of Bank Account Holder
	Name of Bank, Trust Company or Credit Union	Account Number
Date	Policy Number	5 01360992 6793
Paying by Credit Card	To make a credit card payment or to register for automatic credit card payments on One or Three Pay plans, please call your Broker. If you have already registered for automatic credit card payments, then this notice to the policyholder and the credit card holder (collectively, "you"/"your") is a confirmation of your authorization for registering your credit card for payment of insurance premiums owing under all policy terms and receipt of any refunds to be credited under all policy terms. Payments, including premiums, taxes, interest and all applicable charges, or credits from the policy with Intact Insurance Company under any policy term, will be automatically charged/applied to your credit card. You have the right to discontinue your automatic credit card payments upon fourteen (14) days' notice prior to the next scheduled due date, or your credit card may be charged. Upon fulfilling the cancellation terms of the policy, Intact will discontinue all billing from your credit card.	

This is Exhibit "10" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

Important information about your credit card account

Lost or stolen cards: You must tell us immediately if your card is lost or stolen or if you suspect it is lost or stolen. If your card is used without your authorization, you will not be liable if: you didn't knowingly contribute to the unauthorized use; you used reasonable care to keep your card safe from loss, theft or misuse; you kept your PIN confidential and separate from your card; you notify us by phone within 24 hours if you learn of the loss, theft or misuse of your card or if you know or suspect that someone else knows your PIN; you haven't reported two or more unauthorized transactions in the last 12 months, and your account is in good standing. If you don't meet these criteria, you will be liable for all charges incurred in connection with the unauthorized use. It is important that you safeguard your card as well as your PIN and any credit card cheques that you have.

Interest charges and calculation: The interest rates we charge are shown on your account statement and card carrier. For information on how we calculate interest charges, refer to your BMO MasterCard Cardholder Agreement available at bmo.com/pdf/infocha

How we apply payments to your account: When we receive a payment, we apply it to your account as outlined in the Cardholder Agreement. Your payments are processed the day we receive them. You must make sure that we receive your payment on or before the payment due date shown on your account statement.

Your minimum payment: You may pay your account balance in full at any time. By the payment due date shown on your account statement, you must pay at least the minimum payment. To calculate your minimum payment, we add \$10 to the amount of interest and fees shown on your account statement. In addition to that amount, we also add to your minimum payment the larger of any amount past due on your account statement or the amount by which your new balance exceeds your credit limit. If your new balance is \$10 or less, you may pay the full amount.

If your account is in collection or charged off status, we may make alternative payment arrangements with you.

Foreign currency transactions: Canadian dollar card: The exchange rate for converting foreign currency transactions to Canadian dollars is the rate charged to us by MasterCard International ("MCI") plus 2.5%. The exchange rate for converting refunds of foreign currency transactions to Canadian dollars is the rate charged to us by MCI minus 2.5%. We make the conversion on the date the transaction or refund is posted to your account. U.S. dollar card: The exchange rate for converting non-U.S. dollar transactions to U.S. dollars is the rate charged to us by MasterCard International ("MCI") plus 2.5%. The exchange rate for converting refunds of non-U.S. dollar transactions to U.S. dollars is the rate charged to us by MCI minus 2.5%. We make the conversion on the date the transaction or refund is posted to your account.

Estimated Time to Repay: In calculating the number of years and months required to repay an account balance shown on an account statement if you pay only the minimum payment due each month on the payment due date, we assume that the current annual interest rate for purchases will apply throughout the repayment period. We also use such other assumptions as are required or permitted by applicable law.

Disputes: Report any items which do not agree with your records within 30 days of statement date. For your convenience, you can also check your recent transactions via BMO Online Banking at <http://www.bmo.com/>.

¹ Includes: credit card cheques, cash-like transactions, promotional and non-promotional balance transfers.

² Excluding promotional balance transfers

®/™ Trade-marks/ Registered trade-marks of Bank of Montreal.

®/™ Trade-marks/Registered trademarks of MasterCard International Incorporated.

®/™ Trade-marks of AIR MILES International Trading B.V. Used under license by LoyaltyOne, Inc. and Bank of Montreal.

How to make payments to your credit card account

You have many convenient ways to pay

- At www.bmo.com/onlinebanking or via BMO Mobile Banking app from a BMO Cdn \$ bank account
 - Use the "Transfers" function (instead of "Payments") for immediate update of your "Available Credit."
 - Transfer up to the available funds in your bank account without daily limit restriction
- Pre-authorized debit/auto pay from any Cdn \$ savings or chequing accounts in Canada
- Online or mobile banking at another Cdn bank
- At an ATM
- By mail

If you are paying by mail

- Do not send cash through the mail.
- Return this payment slip with your cheque/money order but do not staple them together
- Write your card number on your Cdn \$ cheque/money order. Currency conversion will cause delay and may result in interest charges
- We do not accept written requests. Please call us if your request cannot be done via BMO Online/Mobile Banking

BMO AIR MILES World Elite MasterCard

Statement Date: Jan. 26, 2017

Card Number [REDACTED]
 Customer Name ABBAS MOHAMMAD

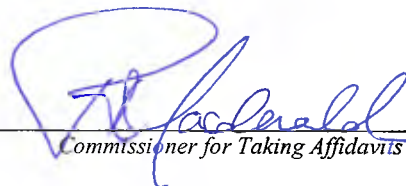
PERIOD COVERED BY THIS STATEMENT

Dec. 27, 2016 - Jan. 26, 2017

TRANS DATE	POSTING DATE	DESCRIPTION	REFERENCE NO.	AMOUNT (\$)
Dec. 29	Jan. 3	[REDACTED]	920096798103	[REDACTED]
Dec. 30	Jan. 4	[REDACTED]	001103977699	[REDACTED]
Jan. 4	Jan. 4	[REDACTED]	000641662986	[REDACTED]
Jan. 5	Jan. 6	[REDACTED]	94-346-11596	[REDACTED]
Jan. 6	Jan. 9	[REDACTED]	000302132222	[REDACTED]
Jan. 6	Jan. 9	[REDACTED]	829065300007	[REDACTED]
Jan. 6	Jan. 9	[REDACTED]	920301465203	[REDACTED]
Jan. 9	Jan. 10	[REDACTED]	800162636924	[REDACTED]
Jan. 12	Jan. 13	[REDACTED]	800135468483	[REDACTED]
Jan. 14	Jan. 16	[REDACTED]	000172062952	[REDACTED]
Jan. 14	Jan. 16	[REDACTED]	000172066755	[REDACTED]
Jan. 14	Jan. 17	[REDACTED]	920228977900	[REDACTED]
Jan. 20	Jan. 23	[REDACTED]	270201151721	[REDACTED]
Jan. 20	Jan. 23	[REDACTED]	270201151796	[REDACTED]
Jan. 23	Jan. 24	[REDACTED]	800177265547	[REDACTED]
Jan. 23	Jan. 25	[REDACTED]	549417973233	[REDACTED]
Jan. 23	Jan. 25	[REDACTED]	549417973084	[REDACTED]
Jan. 24	Jan. 25	INTACT INSURANCE COMPA TORONTO ON	800156900980	2,716.20
Jan. 24	Jan. 25	[REDACTED]	800156901095	[REDACTED]
Jan. 24	Jan. 25	[REDACTED]	800156901111	[REDACTED]
Jan. 24	Jan. 25	[REDACTED]	800156901319	[REDACTED]

If you only make the minimum monthly payment, the estimated time to pay off your balance including interest is 180 years and 02 months. Please see the back of your statement or your BMO MasterCard Cardholder Agreement for further details.

This is Exhibit "11" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

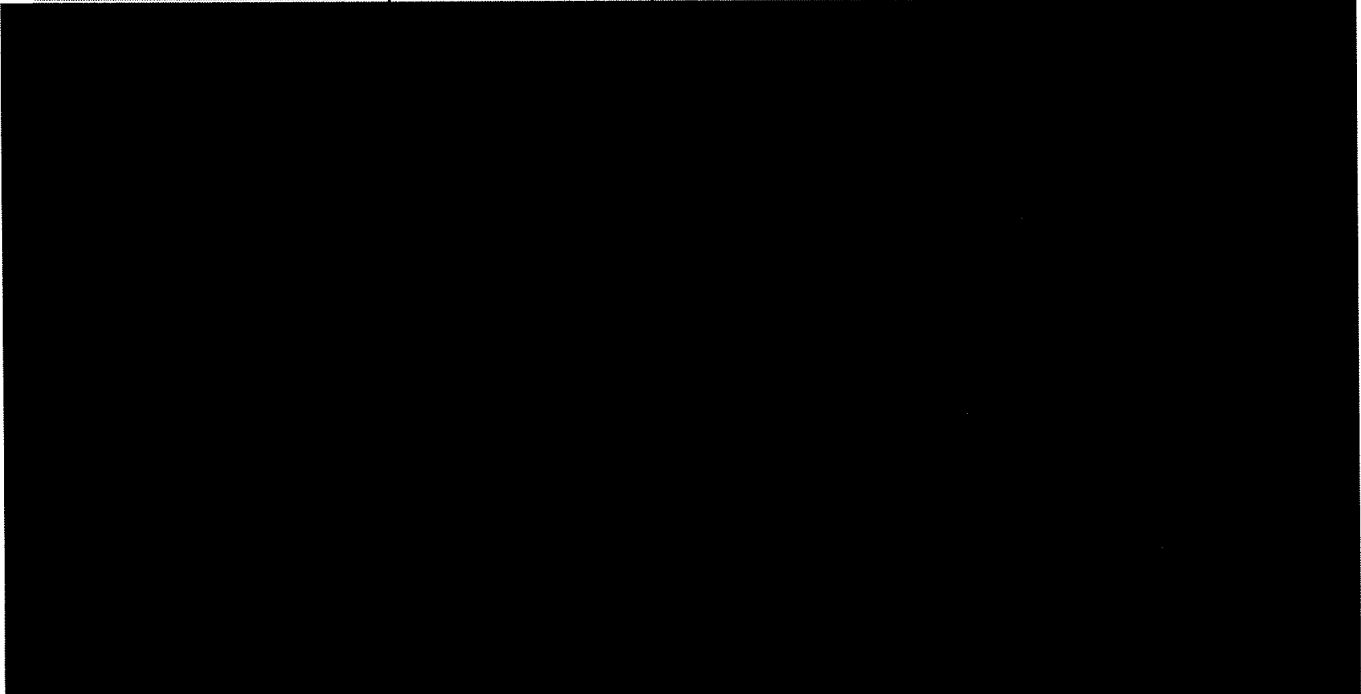
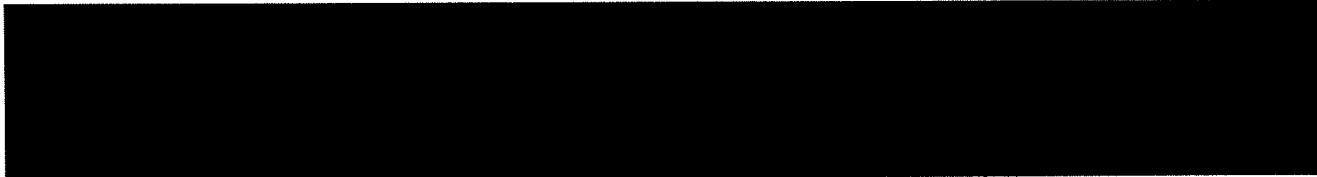


BAYVIEW & REDSTONE
10381 BAYVIEW AVENUE
RICHMOND HILL, ON L4C 0R9

TD Canada Trust

Tel: 1-866-222-3456
TTY: 1-800-361-1180

2164971 ONTARIO INC.
259 BOAKE TRAIL
RICHMOND HILL ON L4B 4B4



CHQ#00187-2143668202	10,000.00	JAN28
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Please ensure that you report in writing any errors or irregularities found within this statement within 30 days of the statement date. If you do not, the statement of account shall be conclusively deemed correct except for any amount credited to the account in error.

Accounts issued by: THE TORONTO-DOMINION BANK



1074-5019385
CHEQUE # 00188 \$5,000.00

YOUR MANAGEMENT SOLUTION EXPERTS 259 ESSEX TRAIL RICHMOND HILL, ONTARIO L4B 4B4 (905) 237-5246		TO CANADA TRUST 10281 BAYVIEW AVENUE RICHMOND HILL, ONTARIO L4C 0R8		0188
PAY TO THE ORDER OF		2497486 Ontario Ltd.		\$ 5,000.-
FOR		Capital Investment on		
1028 Essex St. W. Markham, ON		M. K. A. H. M. PROPERTY MANAGEMENT		
000188 *10742=004* 1074=5019385*		DATE 07012016		

CHEQUE # 00188

YOUR MANAGEMENT SOLUTION EXPERTS 259 ESSEX TRAIL RICHMOND HILL, ONTARIO L4B 4B4 (905) 237-5246		TO CANADA TRUST 10281 BAYVIEW AVENUE RICHMOND HILL, ONTARIO L4C 0R8		0188
PAY TO THE ORDER OF		2497486 Ontario Ltd.		\$ 5,000.-
FOR		Capital Investment on		
1028 Essex St. W. Markham, ON		M. K. A. H. M. PROPERTY MANAGEMENT		
000188 *10742=004* 1074=5019385*		DATE 07012016		

Printer ID # 1014
07602-2171511
Endorsement - Signature or Stamp
BACK/ENDOS
TDCT OFI 010 TOR
20160128 ISN: 2143668199

1074-5019385
CHEQUE # 00187 \$10,000.00

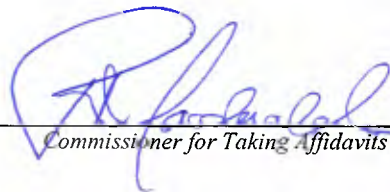
YOUR MANAGEMENT SOLUTION EXPERTS 259 ESSEX TRAIL RICHMOND HILL, ONTARIO L4B 4B4 (905) 237-5246		TO CANADA TRUST 10281 BAYVIEW AVENUE RICHMOND HILL, ONTARIO L4C 0R8		0187
PAY TO THE ORDER OF		2497486 Ontario Ltd.		\$ 10,000.-
FOR		Capital Investment on		
1028 Essex St. W. Markham, ON		M. K. A. H. M. PROPERTY MANAGEMENT		
000187 *10742=004* 1074=5019385*		DATE 07012016		

CHEQUE # 00187

YOUR MANAGEMENT SOLUTION EXPERTS 259 ESSEX TRAIL RICHMOND HILL, ONTARIO L4B 4B4 (905) 237-5246		TO CANADA TRUST 10281 BAYVIEW AVENUE RICHMOND HILL, ONTARIO L4C 0R8		0187
PAY TO THE ORDER OF		2497486 Ontario Ltd.		\$ 10,000.-
FOR		Capital Investment on		
1028 Essex St. W. Markham, ON		M. K. A. H. M. PROPERTY MANAGEMENT		
000187 *10742=004* 1074=5019385*		DATE 07012016		

Printer ID # 1014
07602-2171511
Endorsement - Signature or Stamp
BACK/ENDOS
TDCT OFI 010 TOR
20160128 ISN: 2143668202

This is Exhibit "12" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

January 24, 2017

2497486 Ontario Limited
 c/o Abbas Mohammad
 259 Boake Trail
 Richmond Hill ON
 L4B 4B4

IN ACCOUNT WITH
 Fogler, Rubinoff LLP
 77 King Street West, Suite 3000
 TD Centre North Tower
 P.O. Box 95
 Toronto, ON
 M5K 1G8
 Telephone: 416-864-9700
 Fax: 416-941-8852
 www.foglers.com

fogler
 rubinoff

Our File: M4295 / 168754
2497486 Ontario Limited

TO ALL PROFESSIONAL SERVICES RENDERED in connection with the above-captioned matter up to December 31, 2016, including: e-mail from David Fogel regarding upcoming meeting and having someone there take minutes; telephone call from Nima Baratzadeh on behalf of Abbas Mohammad regarding attending upcoming director's meeting; office conference with Rudy Morrone regarding same; telephone call to Abbas Mohammad and Nima Baratzadeh regarding retainer; e-mails from Nima Baratzadeh with background documents; office conference with Noah Singer regarding attending meeting; review of documents received; e-mail from and to referring counsel regarding status of our retainer; further e-mails with referring counsel regarding document provided by their client; e-mail from Abbas Mohammed re: meeting has been cancelled; will follow up if our services are needed; e-mail from and to referring counsel re: status of matter; advise him that meeting had been cancelled.

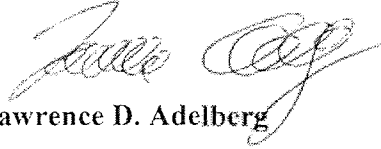
OUR FEE HEREIN – Reduced from \$997.50 as a professional courtesy to you: **\$850.00**

Disbursements

Total Disbursements	\$0.00
Total Fees and Disbursements	\$850.00
HST @ 13% on Fees and Taxable Disbursements	\$110.50
Total Fees, Disbursements and Taxes this Bill	\$960.50
Balance Due:	\$960.50

fogler
rubinoff

**THIS IS OUR ACCOUNT HEREIN
FOGLER, RUBINOFF LLP**



Lawrence D. Adelberg

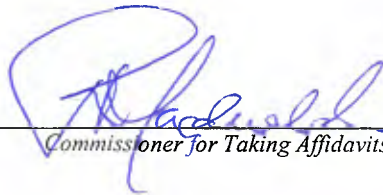
THIS ACCOUNT BEARS INTEREST, COMMENCING ONE MONTH AFTER DELIVERY, AT THE RATE OF 3.30% PER ANNUM AS AUTHORIZED BY THE SOLICITORS' ACT. ANY DISBURSEMENTS NOT POSTED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

E. & O.E.

GST/HST No : R119420859

Please return a copy of this account with your payment. Thank you.

This is Exhibit "13" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

FOGLER RUBINOFF LLP
3000-77 KING ST W N5K1G0
TORONTO ON
20851139

1111 PURCHASE 1111
12-18-2018 14:25:18
Acct # *****9223 H
Exp Date ' ' ' ' Card Type MC
Name:

Trace # 210369
FS2085113901
Inv. # 3189 CVD Resp
Auth # 055495 RRN 001002236

Total \$960.50

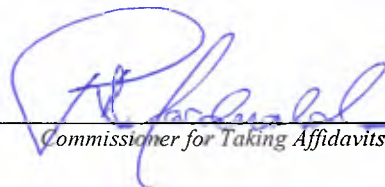
Retain this copy for your
records
Customer copy

370/JMJ Betty L

168754

1NO# 21700961

This is Exhibit "14" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

GENERAL SECURITY AGREEMENT

THIS AGREEMENT made this 29th day of December, 2015

B E T W E E N :

Nicolas Spingos

(hereinafter called the " Holder ")

OF THE FIRST PART;

- A N D -

Mustafa Ismael

(hereinafter called the " Debtor ")

OF THE SECOND PART;

1. Grant of Security Interest

As a general continuing security for the payment of the aggregate principal amount of **One Hundred and Eight Thousand Nine Hundred (\$108,900.00) Dollars** (the "indebtedness") as provided in a mortgage from the Debtor to the Holder securing **PT LT 5-6 BLK F PL 622, Toronto, municipally known as 1028 Bloor Street West, Toronto, Ontario, M6H 1M2** (the "Property") the Debtor grants to the Holder the following described property, (hereinafter collectively called the "Collateral"):

(a) Accounts Receivable

All debts, accounts, claims, monies and choses in action which now are or which may at any time hereafter be due or owing to or owned by the Debtor, and also all securities, bills, notes and other documents now held or owned by the Debtor or anyone on behalf of the Debtor in respect of the said debts, claims, monies and choses in action or any part hereof, and also all books and papers recording, evidencing or relating to said debts, accounts, claims, monies and choses in action or any part thereof **including all of the Debtor's shares in 2497486 Ontario Limited** (all of the foregoing being hereinafter called the "accounts receivable"),

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(b) Inventory

All inventory of whatever kind and wherever situate now owned or hereafter acquired or reacquired by the Debtor including all goods, merchandise, raw materials, goods in process, finished goods and other tangible personal property held for sale, lease or resale or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor, together with the products and cash and non-cash proceeds thereof (all of the foregoing being called the "inventory");

(c) Equipment

All machinery, equipment and other tangible personal property now owned or hereafter acquired or reacquired by the Debtor and not included in subparagraphs (a) and (b) above (all of which is hereinafter called the "equipment");

(d) Intangibles

All intangible property now owned or hereafter acquired by the Debtor and not included in subparagraph (a) and (b) above including, without limiting the generality of the foregoing, all contractual rights, goodwill, patents, trade-marks, copyrights and other industrial property and intellectual property (all of which are hereinafter called the "intangibles");

2. Covenants

The Debtor hereby warrants and agrees with the Holder as follows:

- (a) The Debtor shall from time to time forthwith on request furnish to the Holder in writing all information requested relating to the Collateral and the Holder shall be entitled from time to time to inspect the aforesaid Collateral and to take temporary custody of and make copies of all documents relating to accounts receivable and/or proceeds and for such purposes the Holder shall have access to all the premises occupied by the Debtor or where the Collateral or any of it may be found.
- (b) The Debtor shall from time to time forthwith on the Holder's request do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by the Holder of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents, and the Debtor hereby constitutes and appoints any officer or employee of the Holder, or any receiver appointed by the Court or the Holder as hereafter set out, the true and lawful attorney of the Debtor irrevocably with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (c) The Debtor shall keep the inventory and equipment insured against loss by fire and such other risks as the Holder may reasonably require for their full insurable value and will pay all premiums in connection with such insurance. All policies of insurance and the proceeds

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thereof will be held in trust by the Debtor for the benefit of the Holder under the provisions of this agreement. If the Debtor neglects to provide such insurance, the Holder may obtain the same and charge the premiums therefore to the Debtor, together with interest at the rate currently charged to the Debtor under its obligations to the Holder at the date of payment of the premium by the Holder.

3. Default

Time shall be in all respects of the essence of this agreement. The Debtor shall be in default hereunder, and the security hereby constituted shall become enforceable:

- (a) If the Debtor fails to pay when due any amount owing to the Holder;
- (b) If the Debtor fails to keep and perform any of the terms and conditions of this agreement;
- (c) If the Debtor shall become bankrupt or insolvent or shall take or attempt to take advantage of any statute for the relief of bankrupt or insolvent Debtor or if a receiver shall be appointed of any of the Debtor's assets or if the Collateral is substantially damaged or destroyed or seized under any judicial process or for rent or otherwise confiscated;
- (d) If any execution or any other process of any court becomes enforceable against the Debtor or if any distress or analogous process is levied upon the Collateral;
- (e) If the Debtor ceases or threatens to cease to carry on business;
- (f) If the Debtor makes or proposes to make any sale of its assets in bulk or out of the ordinary course of its business; or
- (g) If a resolution is passed or a petition is filed or if any order is made for the winding-up of the Debtor.

4. Remedies Upon Default

If the security hereby constituted shall become enforceable, all amounts owing hereunder shall forthwith become due and payable and the Holder may immediately sue for the entire remaining balance of the Indebtedness, and all expenses incurred by the Holder in recovering the same including all legal costs, together with interest thereon after default and until payment in full, at the rate charged by the Holder at that time on past due accounts, and the Holder shall have and may exercise all of the rights of a secured party under the Personal Property Security Act of Ontario (the "PPSA"). The Holder may also cancel any insurance on the Collateral and collect the unearned premium, for which purpose the Debtor hereby irrevocably appoints any officer of the Holder its attorney. All rights of repossession may be exercised by the Holder without notice or demand and without legal process. The proceeds of any disposition of the Collateral may, in addition to any application allowed under the PPSA, be applied to the reasonable value of time and materials furnished by the Holder in repairs and otherwise preparing the Collateral for disposition and to reasonable legal and other costs in respect of the repossession and disposition thereof. The Debtor

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covenants and agrees to pay to the Holder on demand, any deficiency after sale of the Collateral. Should the Holder elect to retain the Collateral, all payments previously made thereon shall remain the property of the Holder as liquidated damages and not as penalty. The Debtor expressly waives all actions, claims and demands against the Holder arising out of this agreement or the repossession, resale or retention of the Collateral.

If the security hereby constituted shall become enforceable, the Debtor will, upon request by the Holder, deliver forthwith to the Holder lists or copies of all accounts receivable and/or proceeds. The Holder shall have full power to collect, compromise, endorse, sell or otherwise deal with the same in its own name or that of the Debtor and the Holder may apply any amounts received in connection therewith to any part of the indebtedness secured hereunder as its sees fit.

All remedies of the Holder at law and hereunder are cumulative and concurrent.

5. Licensed Premises

In the event that the Charge/Mortgage to which this General Security Agreement relates (the "Charge") is secured against lands and premises (the "charged premises") which are licenced for the carrying on of a business or for a use of any kind, the following provisions shall be applicable:

- (a) The Debtor does hereby covenant and agree that all existing licences, permits and authorities issued by anybody or authority having licencing jurisdiction, in connection with any business or use of any kind carried on upon the charged premises, including any licences issued under the Liquor Licence Act (Ontario), shall as of and from the date hereof stand as security for and shall be held by the Debtor for the benefit of the Holder as security for the observance, performance and carrying out of the terms and conditions of the Charge until the monies secured therein are fully paid and satisfied.
- (b) The Debtor covenants and agrees that is has not and will not do or omit to do any act having the effect of terminating, cancelling or preventing the renewal of existing licences, permits and authorities issued by any body or authority having licencing jurisdiction in connection with the aforementioned business or special use of any kind carried on upon the charged premises, and the Debtor does further covenant with the Holder that the Debtor shall comply with, observe, perform and carry out all of the provisions of all legislation governing and controlling and affecting the carrying on of the business or the use being carried on at the premises as well as complying, observing, performing and carrying out all the provisions of all the rules, regulations and directions required to keep the said licences, permits and authorities in full force and effect. It is acknowledged that failure to observe, perform and carry out the terms and conditions of this provision, resulting in cancellation of the licences, permits and authorities issued for the charged premises shall constitute default under the terms of the Charge and this Agreement and the whole of the principal sum and interest secured under the Charge shall, at the option

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of the Holder, forthwith become due and payable.

- (c) The Debtor further agrees and acknowledges that, in the event of default of payment of any monies secured by the Charge as and when such payments become due, or in the event of failure of the Debtor to observe, perform or carry out any of the covenants and agreements in the Charge or in this Agreement contained, including the conditions contained in the within paragraph, such event shall and does hereby operate to constitute the Holder as a successor and assign, subject to the approval of the body or authority or board or commission having licencing jurisdiction in connection with the aforesaid business or use carried on upon the charged premises such approval being for all existing licences, permits and authorities issued by the said body or authority or board or commission having such licencing jurisdiction in connection with the aforementioned business or use carried on upon the charged premises; provided however, this assignment is taken only as security for the due payment of the principal and interest secured by the Charge and as security for the due observance, performed and carrying out of the terms and conditions thereof, and subject to the reservation that none of the rights or remedies of the Holder shall be merged or prejudiced in any way by the acceptance of this assignment as security.
- (d) In the event of any proceedings being taken by the Holder by the reason of default being made in payment of the monies secured by the Charge, then in such event the Debtor shall be deemed to be in default hereunder and the Holder shall be entitled to exercise its rights hereunder, and to have the Holder or its nominee or assignee become holder of the above mentioned licences, permits and authorities and to apply to the body or authority or board or commission having the necessary jurisdiction for the approval of the transfer to the Holder or his nominee or assignee of all the licences, permits and authorities now or hereafter in existence in connection with any business or use carried on or being made of the charged premises.
- (e) This indenture further witnesses that the Debtor and the Guarantors do hereby irrevocably constitute and appoint the Holder their attorney in the premises to do and perform all acts, matters and things necessary to effectively transfer the said licences, permits and authorities and to vest the same in the Holder or its nominees or assignees to all intents and purposes as the Debtor itself could do; it being agreed that this power of attorney is only exercisable on default by the Debtor. A statutory declaration that default has occurred under and in respect of the Charge, and that such default still continues, entitling the Holder to exercise its rights hereunder, shall be conclusive evidence of the Holder's rights to exercise the power of attorney hereby given.

6. Receiver

If the security hereby constituted shall become enforceable, the Holder may, by instrument in writing, appoint any person or persons, whether an officer or officers or an employee or employees

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of the Holder or not, to be a receiver or receivers of all or any part of the Collateral, and may remove any receiver or receivers so appointed and may appoint another or others in his or their stead. Any such receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and in no event the agent of the Holder, and the Holder shall not be in any way responsible for any misconduct, negligence or non- feaſance on the part of any ſuch receiver. Subject to the provisions of the instrument appointing ſuch receiver, any ſuch receiver or receivers ſo appointed ſhall have the power to take poſſeſſion of the Collateral or any part thereof and to carry on or concur in carrying on the buſineſſ of the Debtor and to ſell or concur in ſelling all or any part of the Collateral. Except as may be otherwiſe directed by the Holder, all monies from time to time received by ſuch receiver ſhall be held in truſt for and paid over to the Holder. The term "receiver" as uſed in this paragraph includes a receiver and manager.

7. Waiver

The Holder may waive any breach by the Debtor of any of the provisions contained in this agreement or any default by the Debtor in the obſervance or performance of any term or condition hereof provided always that no act or omiſſion of the Holder ſhall extend to or be taken in any manner whatſoever to affect any ſubſequent breach or default of the Debtor or the rights reſulting therefrom.

8. Payment

The Indebtedneſſ ſecured hereunder ſhall be paid and ſhall be assignable free from any right of ſet-off or counter-claim or equities between the Debtor and the Holder.

9. Security

The ſecurity hereby conſtituted is in addition to and not in ſubſtitution for any other ſecurity now or hereafter held by the Holder.

10. Entire Contract

This agreement conſtitutes the entire contract between the parties and there are no representations, warranties, conditions or collateral agreements, expreſs or implied, ſtatutory or otherwiſe, with reſpect to this agreement or the rights of the parties other than as herein contained. No modification of this agreement ſhall be valid unleſs made in writing and ſigned by the parties hereto.

11. Acknowledgment

The Debtor hereby acknowledges receipt as of the date of execution of theſe preſents of a copy of this agreement.

12. Binding Effect

This agreement ſhall ensure to the benefit of and be binding upon the parties hereto and their reſpective heirs, executors, administrators, ſucceſſors and assigns, as the caſe may be.

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13. Assignment

The Debtor shall not assign this agreement or any of its rights hereunder.

14. Applicable Law

This agreement and all the terms hereof shall be construed in accordance with the laws of the Province of Ontario.

15. Titles

All headings and titles in this agreement are for reference only and are not to be used in the interpretation of the terms hereof.

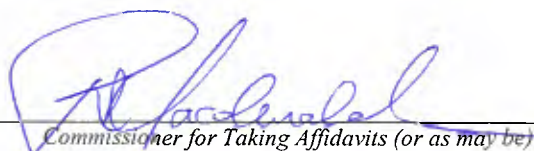
The undersigned hereby acknowledges receipt of a copy of this agreement.

EXECUTED and sealed this 29th day of December, 2015



Name: Mustafa Ismael

This is Exhibit "15" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

THIS ASSIGNMENT AGREEMENT made as of the 28th day of December, 2016.

BETWEEN:

NICOLAS SPINGOS
(hereinafter called the "Assignor")

OF THE FIRST PART

- and -

ABBAS MOHAMMAD
(hereinafter the called the "Assignee")

OF THE SECOND PART

WHEREAS:

1. The Assignor is the holder of a Promissory Note dated December 29, 2015 in the amount of \$108,900.00 from Mustafa Ismael (the "Debtor") and the indebtedness evidenced by such Promissory Note (the "Indebtedness"). A copy of the Promissory Note is attached hereto;
2. The Debtor has executed and delivered to the Assignor a General Security Agreement dated December 29, 2015 as security for the Indebtedness (the "Security"). A copy of the Security is attached hereto.
3. The Assignor has agreed to assign to the Assignee the Indebtedness and the Security (collectively, the "Assigned Property") on the terms hereinafter set out;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

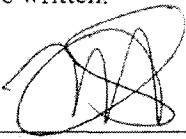
1. The Assignor hereby assigns, transfer and sets over to the Assignee, his heirs, executors, administrators, successors and assigns, all of the Assignor's right, title and interest in the Assigned Property, and all unpaid principal or interest thereunder and all right, title and interest of the Assignor arising thereunder, including all remedies referred to or contained therein.
2. The Assignor represents and warrants to the Assignee that:
 - (a) the recitals contained herein are true in substance and in fact;
 - (b) it has not previously sold, transferred or assigned the Assigned Property or any part thereof;

- (c) there have been no agreements amending the terms and conditions in respect of the Assigned Property;
 - (d) it is the legal and equitable holder of the Assigned Property and has the absolute right, power and authority to transfer and assign the same to the Assignee in accordance with the terms hereof, free and clear of any liens, encumbrances, mortgages, charges or claims of any nature or kind of any other party;
 - (e) at the date hereof, the amount of the Indebtedness owing is \$108,900.00 for principal and \$ 501.20 for interest.
3. The representations and warranties contained in paragraph 2 herein shall survive the transfer of the Assigned Property from the Assignor to the Assignee and shall remain in full force and effect thereafter.
 4. The Assignor delivers herewith to the Assignee the Promissory Note and the Security as evidence of the assignment of the Assigned Property.
 5. The Assignor undertakes to execute such further and other documents as may be reasonably necessary in order to give full effect to this Agreement.
 6. The Assignee hereby acknowledges receipt of the Assigned Property.
 7. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.
 8. If any provision of this Agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned nor shall it invalidate, affect or impair any of the remaining provisions of this Agreement.
 9. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the parties hereby submit to the jurisdiction of the courts of the Province of Ontario.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

10. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. This Agreement may be executed and delivered by email or other form of electronic transmission, and the parties may rely on an email or electronic signature as though it were an original signature. Each party undertakes to provide to the other(s) a copy of this Agreement bearing the party's original signature within a reasonable period of time upon request.

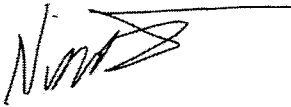
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.



witness Maria Spingos



Nicolas Spingos

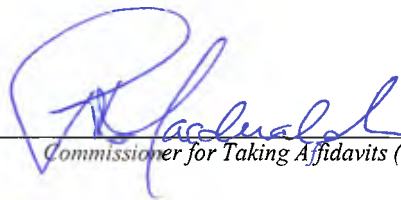


witness Nima Baratzadeh



Abbas Mohammad

This is Exhibit "16" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD

Macdonald, Robert

From: David Fogel <DFogel@lmklawyers.com>
Sent: Friday, January 20, 2017 10:42 PM
To: Nima Baratzadeh; Abbas Mohammad
Cc: Lynda Christodoulou
Subject: Fwd: Mohammad v Ismael

Begin forwarded message:

From: David Fogel <DFogel@lmklawyers.com>
Subject: Mohammad v Ismael
Date: January 20, 2017 at 10:40:50 PM EST
To: Ryan Hanna <rhanna@fijlaw.com>
Cc: David Fogel <DFogel@lmklawyers.com>

Ryan,

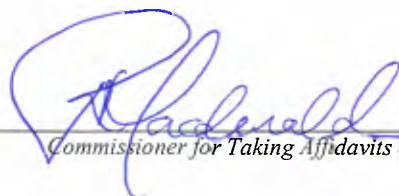
Thank you for your letter setting out what your client thought was owed on his debt to Abbas Mohammad. We write to correct your client and provide to you the sum required to satisfy the debt owed to our client which is as follows:

Principal Sum	\$108,900.00
Interest to December 28, 2016	\$501.20
Interest from December 29, 2016 to December 31, 2016	\$53.70
Lender's Fee as of January 1, 2017	\$13,134.59
Interest from January 1, 2017 to anticipated date of repayment: January 27, 2017	\$485.80 (\$17.992)
Insurance Payment for 2017	\$2841.95
Administration Fee for Insurance	\$500.00
Legal Fees	\$14,125.00
PPSA Discharge Fee	\$1,695
Total Costs	\$142,237.24

As set out above, the total owed to retire the debt to our client is \$142,237.24. Please forward said sums by way of certified cheque made payable to Landy Marr Kats LLP, in trust. Please note that this debt payout information is only valid until the earlier of January 27, 2017, or notice that it has been changed.

Thank You,
David

This is Exhibit "17" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD



LANDY MARR KATS LLP
BARRISTERS & SOLICITORS

Suite 900
2 Sheppard Avenue East
(Sheppard Centre)
Toronto, Ontario M2N 5Y7
Telephone: (416) 221-9343
Facsimile: (416) 221-8928
E-mail: lawyers@lmklawyers.com
Website: www.lmklawyers.com

MOHAMMAD, Abbas
259 Boake Trail
Richmond Hill, ON L4B 4B4

STATEMENT OF ACCOUNT

GST/HST # 11397 5106 RT0001

December 21, 2016

RE: **2497486 Ontario Ltd.**
File No: **9522**

TO PROFESSIONAL SERVICES RENDERED HEREIN in connection with the above-noted matter, including receiving your instructions and reviewing the matter;

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Nov 21, 2016	To receive dropbox info from Mohammad	0.20	70.00	DF
Nov 23, 2016	To correspondence with client	0.10	35.00	DF
Nov 24, 2016	To various correspondence with client and Nima	0.20	70.00	DF
Nov 25, 2016	To correspondence with client and to prepare letter re directors meeting	0.20	70.00	DF
Nov 26, 2016	To correspondence with Nima; To correspondence with Lawrence Adelberg	0.30	105.00	DF
Nov 28, 2016	To correspondence with Nima; To correspondence with Angelo Spingos re documentation on debt; to correspondence with Lawrence Adleberg.	0.50	175.00	DF
Nov 29, 2016	To various correspondence with client	0.20	70.00	DF
Dec 7, 2016	To brief call with Nima re update on events	0.20	70.00	DF
Dec 8, 2016	To various correspondence and file review; To various emails with client and correspondence, to prepare letter	0.80	280.00	DF
Dec 9, 2016	To various correspondence with client and with opposing parties; to receive letter from opposing counsel	1.50	525.00	DF

Dec 12, 2016	To correspondence with Nima and Abbas	0.30	105.00	DF
Dec 13, 2016	To various correspondence with client and opposing parties	0.30	105.00	DF
Dec 15, 2016	To correspondence with Abbas and Nima	0.50	175.00	DF
Dec 16, 2016	To correspondence with client, opposing parties, Lawrence Adelberg	0.30	105.00	DF
Dec 17, 2016	To correspondence with Nima and Abbas	0.30	105.00	DF

Totals	5.90	\$2,065.00
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To various other incidental services necessary thereto, including telephone attendances, meetings, correspondence, and reporting to you;

TO OUR FEES	\$2,065.00
HST	268.45
Total Fees + HST	\$2,333.45

Disbursements

(* signifies HST exempt item)

Imaging Charges	85.05
Sub-total of all disbursements	\$85.05

HST exempt disbursements:	\$0.00
HST applicable disbursements:	\$85.05

HST on taxable disbursements	\$11.06
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Total Disbursements + HST	\$96.11
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Total Fees, Disbursements and HST	\$2,429.56
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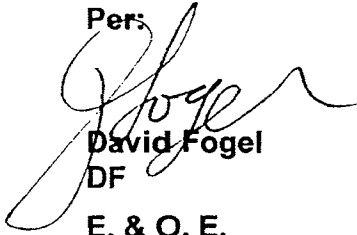
LESS RECEIVED from Trust	\$2,429.56
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BALANCE DUE AND OWING

\$0.00

THIS IS OUR ACCOUNT HEREIN
LANDY MARR KATS LLP

Per:



David Fogel
DF
E. & O. E.

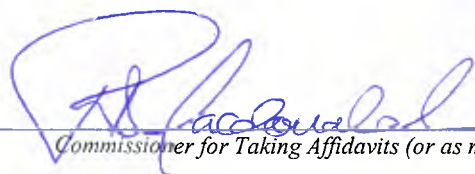
Interest is payable on outstanding amounts 30 days after account is rendered at the rate of 3% per annum

TRUST ACCOUNTING

	Disbursements	Receipts
Received From: Abbas MOHAMMAD Retainer		3,000.00
Paid To: Landy Marr Kats LLP Statement of Account – December 21, 2016	2,429.56	
Total Trust	<u>\$2,429.56</u>	<u>\$3,000.00</u>
Trust Balance		\$570.44

E. & O. E.

This is Exhibit "18" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



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

Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD



LANDY MARR KATS LLP
BARRISTERS & SOLICITORS

Suite 900
2 Sheppard Avenue East
(Sheppard Centre)
Toronto, Ontario M2N 5Y7
Telephone: (416) 221-9343
Facsimile: (416) 221-8928
E-mail: lawyers@lmklawyers.com
Website: www.lmklawyers.com

MOHAMMAD, Abbas
259 Boake Trail
Richmond Hill, ON L4B 4B4

STATEMENT OF ACCOUNT

GST/HST # 11397 5106 RT0001

March 29, 2017

RE: 2497486 Ontario Ltd.

File No: 9522

TO PROFESSIONAL SERVICES RENDERED HEREIN in connection with the above-noted matter, including receiving your instructions and reviewing the matter;

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Dec 19, 2016	To correspondence with client re Corporate meeting and effect of shareholder debt; To receive lengthy correspondence from RH and to discuss with client	1.40	490.00	DF
Dec 20, 2016	To discuss next steps and drafting claim	2.10	735.00	DF
Dec 21, 2016	To correspondence with client; to lengthy letter to opposing counsel; to call with client	1.60	560.00	DF
Dec 22, 2016	To prepare lengthy letter and discuss with clients (yesterday); to finalize letter and enclosures and sent to opposing counsel and copy to client (today)	1.10	385.00	DF
Dec 23, 2016	To correspondence from Ryan, briefly review, and send to client	0.50	175.00	DF
	To correspondence from Ryan, briefly review, and send to client; to discuss with client and consider response	0.60	210.00	DF
Dec 28, 2016	To correspondence with client and correspondence from Ryan	0.50	175.00	DF
Dec 29, 2016	To review assignment agreement, various emails with client and Lawrence; various emails to opposing counsel.	1.20	420.00	DF
Jan 5, 2017	To correspondence with client re letter from Ryan Hanna	0.30	105.00	DF

Jan 6, 2017	To receive assignment of property	0.60	210.00	DF
Jan 9, 2017	To various correspondence with client and prepare response to Hanna	0.60	210.00	DF
Jan 10, 2017	To correspondence with client	0.40	140.00	DF
Jan 11, 2017	To correspondence with Ryan and client	0.40	140.00	DF
	To lengthy letter to Ryan and discussion with client re letter; to receive email from Ryan	0.80	280.00	DF
Jan 16, 2017	To correspondence with client re settlement offer and moving forward	0.60	210.00	DF
Jan 18, 2017	To call with Nima re moving file forward; to receive fax from Ryan and send to client; to call with client re letter demanding all expenses - Nima to send list	0.70	245.00	DF
Jan 20, 2017	To preparation of email to Ryan Hanna.	0.50	175.00	DF
	To correspondence to Ryan re expenses;	1.20	420.00	DF
Jan 27, 2017	To review of correspondence from R. Hanna re; settlement	0.50	175.00	DF
Jan 30, 2017	To various emails re directors meeting and call with Nima	1.50	525.00	DF
Jan 31, 2017	To correspondence with RH and client	0.50	175.00	DF
Feb 2, 2017	To correspondence with client re next steps	0.30	105.00	DF
Feb 9, 2017	To correspondence and strategy re corporate meetings	1.00	350.00	DF
Feb 10, 2017	To preparation of email to Nima.	0.20	70.00	DF
Feb 13, 2017	To drafting Notice of Application; email to Nima; to receipt of email from Nima.	1.50	525.00	DF
Mar 2, 2017	To receipt of email from Ryan Hanna; to numerous emails to/from Nima; preparation of email to Ryan Hanna.	0.80	280.00	DF
Mar 7, 2017	To email to Nima enclosing correspondence received from Ryan Hanna; numerous emails to/from Ryan Hanna.	0.60	210.00	DF
Mar 9, 2017	To preparation of email to Ryan Hanna; receipt of email from Abbas; further email to Ryan Hanna re: gas bill.	0.50	175.00	DF
Mar 10, 2017	To various correspondence with client and Ryan Hanna re hydro bills and divorcing of shareholders	0.50	175.00	DF
Mar 13, 2017	To review draft Notice of Application prepared by Nima; prepare Notice of Application for winding-up; receipt and review of letter from Ryan Hanna; forward same to client; to text messages	4.20	1,470.00	DF

Mar 14, 2017	with Nima. To telephone call with client; preparation of letter to counsel and Monika Wilk re: insurance policy.	0.50	175.00	DF
Mar 16, 2017	To preparation of email to Ryan.	0.30	105.00	DF
	To review and revise Notice of Application; email to client.	1.20	420.00	DF
Mar 20, 2017	To review and finalize notice of application	1.00	350.00	DF
Mar 21, 2017	To meeting with Nima to discuss matter	0.50	175.00	DF
	Totals	30.70	\$10,745.00	

To various other incidental services necessary thereto, including telephone attendances, meetings, correspondence, and reporting to you;

TO OUR FEES	\$10,745.00	
HST	1,396.85	
Total Fees + HST		\$12,141.85

Disbursements

(* signifies HST exempt item)

Issue Notice of Application*	220.00
Transaction Levy: Application/Notice of App.	50.00
Imaging Charges	72.80

Sub-total of all disbursements **\$342.80**

HST exempt disbursements:	\$220.00
HST applicable disbursements:	\$122.80

HST on taxable disbursements **\$15.96**

Total Disbursements + HST	\$358.76
Total Fees, Disbursements and HST	\$12,500.61

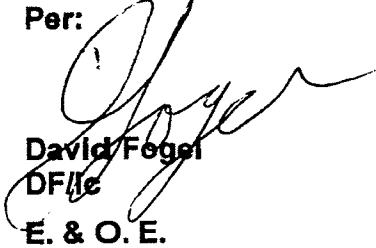
LESS RECEIVED from Trust **\$12,500.61**

BALANCE DUE AND OWING

\$0.00

**THIS IS OUR ACCOUNT HEREIN
LANDY MARR KATS LLP**

Per:



**David Fogel
DF/je
E. & O. E.**

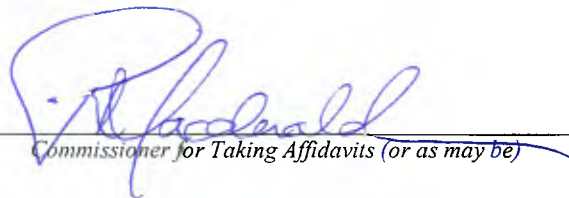
Interest is payable on outstanding amounts 30 days after account is rendered at the rate of 3% per annum

TRUST ACCOUNTING

	Disbursements	Receipts
Received From: Abbas MOHAMMAD retainer		3,000.00
Paid To: LANDY MARR KATS LLP pay account	2,429.56	
Received From: Mustafa Ismael settlement funds		110,440.70
Paid To: Landy Marr Kats LLP Statement of Account – March 29, 2017	\$12,500.61	
Transferred to: Account #9608 Statement of Account – March 29, 2017	1,740.20	
Paid To: Abbas Mohammad Payout of Settlement Funds	\$96,770.33	
	<hr/>	<hr/>
Total Trust		
Trust Balance		\$0.00

E. & O. E.

This is Exhibit "19" referred to in the Affidavit of Abbas
Mohammad sworn January 2, 2019



Commissioner for Taking Affidavits (or as may be)

ROBERT B. MACDONALD