

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

B E T W E E N:

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

-and-

2011836 ONTARIO CORP., JEFFERSON PROPERTIES LIMITED PARTNERSHIP,
1000162801 ONTARIO CORP., AMERICAN CORPORATION
and 1000199992 ONTARIO CORP.

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**SUPPLEMENTARY REPLY RECORD OF THE APPLICANT,
CAMERON STEPHENS MORTGAGE CAPITAL LTD.**

December 20, 2023

GARFINKLE BIDERMAN LLP
Barristers & Solicitors
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Cameron Stephens Mortgage Capital Ltd.

TO: SERVICE LIST

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TAB 1

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FURTHER SUPPLEMENTARY AFFIDAVIT OF JOHN DAVID

I, JOHN DAVID, of the City of Mississauga in the Province of Ontario, make oath and say as follows:

1. On December 6th and 15th, 2023, I swore Affidavits in support of the within Application. I make this Affidavit supplementary thereto. Where I rely upon information provided to me by others, I verily believe such information to be true.

The Urgency of the Application

2. As stated in my Affidavit sworn December 15, 2023, the parties attended in court on December 11th at which time an adjournment was granted until December 21st to provide the Respondents an opportunity to file materials. The adjournment was opposed by Cameron Stephens based on concerns regarding the urgency due to unpaid trades and

anticipated weather issues. Recent and forecasted weather conditions have created further urgency and, accordingly, this Affidavit is intended to provide the court with updated evidence of same.

3. Since the adjournment and since swearing my December 15th Affidavit, winter weather conditions have arrived and the temperatures in the area of the Jefferson Property have dropped and are forecasted to be below 0 degrees Celsius over the next few days.
4. Further, payables for the month of October remain unpaid and that is causing serious issues with several critical trades. If they are not paid in accordance with their demands, I am advised that it will have serious consequences to the Project and will result in significant damage to the interior finishes previously installed.
5. Now shown to me and appended hereto as **Exhibit "A"** to this Affidavit is a true copy of an email I received from Tom McElroy of Albert Gelman Inc. on December 19, 2023, regarding the urgent need to pay the propane supplier and the security company that monitors the site for any fires. Attached as **Exhibit "B"** are further email exchanges I was copied on regarding these urgent payments. It is my understanding from review of these emails that the interiors need to be heated to a minimum of 7 degrees Celsius.
6. Now shown to me and appended hereto as **Exhibit "C"** to my Affidavit is a true copy of an email I received from Enzo Di Giovanni, the Respondents' Director of Construction on December 19, 2023, indicating the urgent need for Hardcore Drilling Company to core a hole so that Enbridge can install a permanent gas line.
7. Cameron Stephens has been requested to fund these urgent payments. These multiple

individual requests to fund invoices is extremely difficult to manage on an immediate basis, especially through the holiday period, when many of the law firms and financial institutions required to facilitate such payments are operating on a skeleton staff.

- 8. The syndicate of investors have agreed to pay the Fortress Security invoices to protect their security, however, Cameron Stephens is only able to obtain additional funding on a timely basis from the investors if the advances are made to a Receiver or Interim Receiver with an appropriate Borrowing Charge.

SWORN by John David at the City of Mississauga, in the Province of Ontario, before me on this 20th day of December 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

(or as may be)

WENDY GREENSPOON-SOER

}

JOHN DAVID

This is Exhibit “A” referred to in the Affidavit of John David sworn by John David of the City of Mississauga, in the Regional Municipality of Peel, before me at the City of Toronto, in the Province of Ontario, on December 20, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

From: [Tom McElroy](#)
To: jdavid@cameronstephens.com
Cc: [Wendy Greenspoon](#); [Bryan Gelman](#); [Dan Woo](#)
Subject: Jefferson Project - Urgent Matters
Date: Tuesday, December 19, 2023 12:49:05 PM
Attachments: [image001.png](#)
[15914 Jefferson Properties - Nov.pdf](#)
[15976 Jefferson Properties - Dec.pdf](#)
[CRC ATB.pdf](#)
[EPS ATB.pdf](#)
[AAL ATB.pdf](#)

John,

I spoke with both Frank and Enzo this morning who advise me that there are several critical supplier who need to be paid imminently in order to avoid significant damage to the interior finishes of the units. These suppliers along with the (approximate) amount owing are set out below.

Fortress Security: Currently heat is being supplied to the site using propane heaters. Core Constructors will not continue to allow propane heating on site unless there are security personnel on site to monitor the site at all times for fire. Fortress Security provides the onsite security personnel. Fortress Security is owed approximately \$27,000. Invoices are attached. Fortress Security has threatened to walk offsite this week if they are not paid in full.

Canadian Rentals: Provides the propane and propane heaters for the site. Canadian Rentals is owed approximately \$189,000. Invoices are attached. Canadian Rentals has threatened to pull the heaters from site and stop providing propane if they are not paid. They have agreed with Core Constructors to be paid 50% of the balance owing this week and 50% next week.

I am advised by both Frank and Enzo that if either or both of these companies are not paid there will be no further heat on site and this will result in significant damage to the internal finish of the completed blocks. Several examples of the type of damage that will be caused are as follows: laminated and engineered floors will buckle and warp, wall studs will warp, drywall will bend and crack, etc. I am advised by both Enzo and Frank that to repair or replace the damage caused to the finished unit will be a significant costs and will cause major delays to the construction schedule.

Enzo also advise that in order to obtain permanent heat on site Hardrock (concrete trade) needs to start work this week so that Enbridge can install a permanent gas line. If this is not done, there will be significant delays to the schedule. I will follow up with Frank to obtain further details.

Tom McElroy, *CIRP, LIT*
Managing Director (Ontario)

AGI-logo



Albert Gelman Inc. | T: 416.504.1650 ext. 117# | F: 416.504.1655 | E: tmcelroy@albertgelman.com
| 250 Ferrand Dr., Suite 403, Toronto, ON M3C 3G8 | www.albertgelman.com

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This is Exhibit “B” referred to in the Affidavit of John David sworn by John David of the City of Mississauga, in the Regional Municipality of Peel, before me at the City of Toronto, in the Province of Ontario, on December 20, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

From: Enzo <enzo@grandgracedevelopment.com>
Sent: Tuesday, December 19, 2023 11:21 AM
To: Fanseday Wang <fansedayw@grandgracedevelopment.com>
Cc: Frank Servello <servello@corebuildco.com>; Freddie Sayers <FSayers@glynngroup.ca>; Tom McElroy <tmcelroy@albertgelman.com>; John David <jdavid@cameronstephens.com>; 'edigiovanni@rogers.com' <edigiovanni@rogers.com>
Subject: FW: ATB for Jefferson

Hi Fanseday,

Please see email chain below and attached.

Core has brought this to my attention and it requires immediate action so as to avoid significant issues that would result as a lack of providing appropriate heat.

Fortunately Core was able to negotiate with the supplier and get them to accept a partial payment in good faith and thus avoid imminent interruptions to the service.

Hopefully this helps and you can find a way to rectify immediately.

Kind regards,



Enzo Di Giovanni
Director, Construction

Together we create communities!

From: Mico Servello <m.servello@corebuildco.com>
Sent: December 19, 2023 10:23 AM
To: Enzo <enzo@grandgracedevelopment.com>; Frank Servello <servello@corebuildco.com>; Ana Cosic <a.cosic@corebuildco.com>
Subject: Fwd: ATB for Jefferson

Enzo,

As per our conversation, I have done my best to get Canadian rental to accept 50% payment. With the promise of receive a the remaining in the next few days.

This is an important trade, he is supplying propane and heat to the site.

If we cannot get propane nor heaters, this will affect your finishes. As we all know we need to maintain 7+ in the finished units.

If we cannot maintain this, we will have big issues with the finishes and the will have to remove and redo finished units.

Ana can let you know exactly what will happen with no heat.

There's an attached email from Canadian rental that is stating he will agree to 50% payment by end of the week.

Get [Outlook for iOS](#)

From: rino@canadianrentalcentres.com <rino@canadianrentalcentres.com>

Sent: Tuesday, December 19, 2023 10:09:40 AM

To: Mico Servello <m.servello@corebuildco.com>

Subject: FW: ATB for Jefferson

Hi Mico,

As per our conversation,

I am ok with receiving 50% of the TOTAL invoices owed from the 3 companies above – based upon

Also getting post-dated cheques for the remainder of the 50% dated for next week.

Thanks,

Rino Bifulchi

President

This is Exhibit “C” referred to in the Affidavit of John David sworn by John David of the City of Mississauga, in the Regional Municipality of Peel, before me at the City of Toronto, in the Province of Ontario, on December 20, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

From: Enzo <enzo@grandgracedevelopment.com>
Sent: Tuesday, December 19, 2023 12:38 PM
To: Fanseday Wang <fansedayw@grandgracedevelopment.com>
Cc: Frank Servello <servello@corebuildco.com>; Mico Servello <m.servello@corebuildco.com>; Tom McElroy <tmcelroy@albertgelman.com>; John David <jdavid@cameronstephens.com>; 'edigiovanni@rogers.com' <edigiovanni@rogers.com>
Subject: FW: Outstanding invoices

Hi Fanseday,

There's another development you need to be aware of.
 Please see email below for details.
 Kindly advise as soon as you are able.

Kind regards,



Enzo Di Giovanni
 Director, Construction

Together we create communities!

From: Mico Servello <m.servello@corebuildco.com>
Sent: December 19, 2023 12:37 PM
To: Enzo <enzo@grandgracedevelopment.com>
Subject: Fwd: Outstanding invoices

Hi Enzo,

This is hardcore cutting, we need them to core a hole for gas but they will not come back for site due to payment.

If we do not core these holes, we will have issue in getting gas in blocks GHI. This will cause a major delay to occupancy.

I have cc Raj he can send all invoices for back up.

Thank you,
 Mico Servello.

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From: Hardcore Drilling Company <hardcoredrillinginc@yahoo.com>
Sent: Tuesday, December 19, 2023 12:34:23 PM
To: Mico Servello <m.servello@corebuildco.com>
Subject: Fw: Outstanding invoices

Invoice # 168 ---\$3107.50 ----P.O 137

Invoice # 169 ---\$16 724.00----P.O 163

Invoice # 702 ---\$6215.00 ----P.O 235

Invoice # 703 ---\$8362.00 ----P.O 236

Invoice # 705 ---\$6780.00----P.O ? no PO was issued

Invoice # 708 ---\$13221.00 ----P.O 310

Grand total owed: \$ 54409.50

Please pay 50% of amount owing by week ending Sat. Dec, 22 /2023 for the amount of \$27204.75 and the remainder balance week ending Sat. dec 30/ 2023 for the amount of \$27204.75.

**Thanks you
Matt Merla**

Hardcore Drilling Company
289-280-2024
hardcoredrillinginc.net
Hardcoredrillinginc@yahoo.com

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CAPITAL LTD.

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and

Applicant

Respondents

Court File No. CV-23-00710795-00CL

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OF
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Lawyers for the Applicants,
Cameron Stephens Mortgage Capital Ltd.

File Number: 6243-679

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