

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

CAMERON STEPHENS MORTGAGE CAPITAL LTD.

Applicant

- and -

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

Respondents

**IN THE MATTER OF AN APPLICATION PURSUANT TO 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**

SECOND SUPPLEMENTARY REPORT TO THE FIRST REPORT OF THE RECEIVER

(Dated February 1, 2024)

I. INTRODUCTION AND PURPOSE

1. This second supplementary report (the "**Second Supplementary Report**") to the Receiver's first report to Court dated January 18, 2024 (the "**First Report**") is filed by Albert Gelman Inc. ("**AGI**"), in its capacity as receiver and manager (in such capacity, the "**Receiver**") appointed, without security, of all present and future property, assets and undertakings of 2011836 Ontario Corp. ("**201Co.**") and Jefferson Properties Limited Partnership ("**JPLP**" and, together with 201Co., the "**Debtors**") including the real property known municipally as 39, 53 and 67 Jefferson Side Road, Richmond Hill, Ontario (the "**Jefferson Properties**") (collectively, the "**Property**") by Order (the "**Appointment Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), dated December 21, 2023 (the "**Filing Date**"), made pursuant to section 243(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended ("**BIA**") and section 101 of the

Courts of Justice Act, R.S.O 1990, c. 43, as amended. The application which resulted in the Appointment Order was commenced by Cameron Stephen Mortgage Capital Ltd. (“**Cameron Stephens**”).

2. The purpose of this Second Supplementary Report is to provide the Court with information concerning the extent of the Receiver’s correspondence and communications with Mr. Fanshay Wang (“**Wang**”), the Debtors’ sole director and principal.

II. SCOPE AND TERMS OF REFERENCE

3. In preparing this Second Supplementary Report, the Receiver has obtained and relied upon certain unaudited financial information and records of the Debtors, had discussions with representatives of the Glynn Group Incorporated (“**Glynn**”) and relied upon the Glynn Report (as defined in the First Report).

4. While the Receiver has reviewed the various documents provided, such review does not constitute an audit or verification of such information for accuracy, completeness or compliance with Accounting Standards for Private Enterprises (“**ASPE**”) or International Financial Reporting Standards (“**IFRS**”). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to ASPE or IFRS or otherwise with respect to such information.

5. This Second Supplementary Report has been prepared for the purposes described above. Accordingly, the reader is cautioned that this Second Supplementary Report may not be appropriate for any other purpose.

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

7. This Second Supplementary Report, and all other Court materials and orders issued and filed in these receivership proceedings are available on the Receiver’s website located at: <https://www.albertgelman.com/corporate-solutions/other-engagements/> (the “**Case Website**”).

8. Any capitalized terms not defined in this Second Supplementary Report shall have the meanings ascribed to them in the First Report and the supplementary report to the First Report of the Receiver dated January 28, 2024.

III. CORRESPONDENCE WITH WANG

9. Since the Filing Date, the Receiver and its counsel, Paliare Roland Rosenberg and Rothstein LLP (“**Paliare**”), have spent considerable time corresponding with Wang (and the three different legal counsel retained by Wang during this period) to address questions and concerns raised by Wang about the Project and the receivership proceedings.

10. Wang has regularly and consistently contacted the Receiver to:

- a. provide advice and direction to the Receiver in an attempt to influence the Receiver’s decisions in respect of the Project;
- b. scrutinize the Receiver’s actions and decisions;

- c. request information and documents in respect of the Project and the receivership proceedings; and,
- d. forward correspondence to the Receiver between himself and other trades/suppliers and homeowners (despite having been advised by the Receiver not to communicate with any stakeholders).

11. The Receiver has provided Wang with access to significant information for his re-financing attempts, his general inquiries about the Project and in response to his comments and suggestions for completing the Project.

12. The Receiver notes that in addition to the voluminous written communication from Wang and his legal counsel, the Receiver has received near daily calls and text messages from Wang since the Filing Date. As a result, the Receiver instructed Paliare to contact Wang's legal counsel to convey to Wang that the Receiver (and not Wang) is managing the Project and to request that any further communications from Wang be made through counsel.

13. A non-exhaustive chronological summary of the Receiver's and Paliare's correspondence and communications with Wang (and his current and former legal counsel) in respect of Wang's requests for information is set out below.

December 22, 2023

14. The Receiver attended the Debtor's premises for a meeting with Wang to discuss, among other things, the receivership proceedings and respond to Wang's questions.

January 10, 2024

15. Wang contacted the Receiver to request immediate assistance from the Receiver in respect of his efforts to refinance the Project. The Receiver subsequently met on site on January 11, 2024 with representatives of the proposed new lender to provide information and a tour of the site to accommodate Wang's request.

January 21, 2024

16. The Receiver provided a form of Non-Disclosure Agreement for Wang to execute and return. Once that was signed and returned, the Receiver provided Wang with the Glynn Report (which is Confidential Appendix A to the First Report) on January 22, 2024.

17. Legal counsel for Wang requested a detailed explanation from the Receiver regarding the Glynn Budget and a response was provided by the Receiver. This email correspondence is not included herein as the Receiver is seeking a sealing order in respect of the Glynn Report and the information contained therein.

January 22, 2024

18. Wang requested additional information and documents from the Receiver. Attached hereto as **Appendix “A”** is a copy of the email from Wang. The Receiver responded on the same day.

January 24, 2024

19. The Receiver received an extensive email from Wang criticizing the Receiver and requesting additional information from the Receiver. A copy of this email is attached hereto as **Appendix “B”**.

January 25, 2024

20. Paliare received a lengthy email from Tim Dunn, then Wang’s newly appointed counsel. Paliare provided Mr. Dunn with a detailed update regarding, among other things, the status of the Project on January 26, 2024. Attached hereto as **Appendix “C”** is the email correspondence between Tim Dunn and counsel to the Receiver.

January 27, 2024

21. The Receiver received an email from Wang requesting information regarding payments to trades and supplier which is attached hereto as **Appendix “D”**.

January 30, 2024 (evening of)


22. Greg Azeff, newly appointed counsel to Wang, provided a letter to the Receiver which included an extensive list of items and requests for information. The Receiver provided a detailed response on February 1, 2024. A copy of the letter from Greg Azeff as well as the Receiver’s response is attached hereto as **Appendix “E”**.

January 31, 2024

23. The Receiver received a lengthy email from Wang (notwithstanding the previous request not to email the Receiver directly) in which, among other things, he criticizes the actions of the Receiver. Attached hereto as **Appendix “F”** is a copy of this email.

All of which is respectfully submitted this 1st day of February 2024

**ALBERT GELMAN INC., solely in its
capacity as Court-Appointed Receiver of
each of the Debtors and the Jefferson Properties
and not in any other capacity**

Per:  Digitally signed
by Bryan
Gelman

Bryan Gelman, CIRP, LIT
Senior Managing Director

Per: 

Tom McElroy, CPA, CA, CBV, CIRP, LIT
Managing Director (Ontario)

APPENDIX A

Tom McElroy

From: Fansey Wang <fanseyw@grandgracedevelopment.com>
Sent: January 22, 2024 8:47 AM
To: Dan Woo
Cc: Bryan Gelman; Tom McElroy; Jeffrey Larry; ryan.shah@paliareroland.com; Timothy Dunn
Subject: Re: Jefferson Project
Attachments: AGI_Jefferson_Non Disclosure Agreement - Fansey Wang.pdf

Good morning Dan,

Please find the NDA.

Please forward us urgently :

- 1, Lastest QS report,
- 2, Updated payment list (details of using the \$7 million loan)
- 3, Updated payable list
- 4, Updated Bulletin 19 deficiency list
- 5, Updated city inspection notes.
- 6, Updated Construction management report.

These are very important for us to finalize underwriting for refinancing, we have requested these documents in last 2 weeks, can you please share with us today?

Yours Sincerely,



Fansey Wang
President

Together we create communities!

On Jan 21, 2024, at 7:18 PM, Dan Woo <dwoo@albertgelman.com> wrote:

Hello Fansey,

Find attached the form of NDA to be signed. A copy of the Glynn report will be released upon return of same.

Thank you.

Dan Woo, CPA, CMA, CIRP, Licensed Insolvency Trustee (LIT)
Managing Director (Prairies) – Financial Restructuring Group

APPENDIX B

Tom McElroy

From: Fanseday Wang <fansedayw@grandgracedevelopment.com>
Sent: January 24, 2024 7:17 AM
To: Dan Woo
Cc: Bryan Gelman; Tom McElroy; Jeffrey Larry; ryan.shah@paliareroland.com; Timothy Dunn
Subject: Re: Jefferson Project

Morning Dan,

Further to the call regarding the schedule, I drove by the site yesterday, and I observed half an hour from roadside:

For occupancy, the condition is ready

- 1, The street lights are erected.
- 2, The driveway of C & D has been built with crushed stone
- 3, Meters of utilities are all on, the site is ready to energize.
- 4, Only the railing of porch is missing, but it could be done in a matter of three day!
- 5, The community road has been done from site servicing.

I disagree the statement you made that the occupancy had to be from March, all conditions are met.

For the work on block H and B

- 1, Block B framing is still on going! It is more than a month late comparing to the schedule you provided in your application to court.
- 2, Block H, you rented scaffolding at huge monthly cost, it sits there for weeks, but no masonry or stucco work are carrying on.

I disagree the site is under professional management.

For block E & F

- 1, the progress is very slow, block F scheduled PDI was Jan. 31, now the basement drain is not even in, no matter of drywall and finishing.
- 2, both block still don't have south balconies!

I disagree that your team is really pushing the schedule and saving cost according your promise to court and stakeholders,

For the repairing of deficiency

- 1, Till today I haven't received the updated list from construction management of project, how many items left?
- 2, The bulletin 19 list you sent still carries about 300 deficiencies.
- 3, Before receivership, those deficiencies have been confirmed by construction consultant, construction management, and financing consultant (AGI), 90% completed and money spent and paid.
- 4, It suppose to have framer to do repair inside block I, which is right on road side, but I dont see any activities inside

I am very doubtful on what is happening here, truth has to be discovered.

For the issues I raised from previous visits

- 1, missing drainage on block C, water mark on exterior wall, still there
- 2, unit doors are not secured or closed, still not managed.

Your team is not diligently managing the site.

For the payment

- 1, you promised to court you would raise 7 million immediately to pay all trades' bills of Nov. and Oct., according to QS report,
- 2, you paid much late, and you choose to preference pay, resulting multiple liens on the project, and also resulting in some trades / consultants / suppliers left or stopped working on site, costing more delay and higher cost.
- 3, you haven't provided the updated payment record till now, after multiple request.

Can you advise why you could not keep your promise to court, pay on time and pay to everyone the project owe, to move the project forward according to the schedule presented to court?

For the request of visiting and meeting with your construction management and consultant.

- 1, I raised my concern of site condition multiple times, and I keep requesting the meetings,
- 2, you always said you didn't find it is proper.

Can you advise why it is improper for the meeting and visiting? What you would like to keep away from us, when I feel so distressed that our interest is damaged in such situation.

Fanseay Wang

President

Phone: +1-905-660-6880

Email: fanseayw@grandgracedevelopment.com

Address: 8000 Jane St, Suite 300, Vaughan, ON, Canada L4K 3W4

Website: www.grandgracedevelopment.com



On Jan 22, 2024, at 6:18 PM, Dan Woo <dwoo@albertgelman.com> wrote:

I will review the document again but it is my understanding that this was the outstanding deficient items from the consultant that reports on bulletin 19.

Sent from my iPhone

On Jan 22, 2024, at 4:01 PM, Fanseay Wang <fanseayw@grandgracedevelopment.com> wrote:

Hi Dan,

Thank you, but the Deficiency list doesnt show any item with status of completion, I dont believe it is an updated document, as we know most of repairs have been done.

Please check and resend.

APPENDIX C

Tom McElroy

From: Jeff.Larry@paliareroland.com
Sent: January 26, 2024 8:56 PM
To: TDunn@mindengross.com
Cc: Adam Zeldin; ryan.shah@paliareroland.com; Dan Woo; Tom McElroy; Bryan Gelman
Subject: RE: Jefferson Project

Sensitivity: Private

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Urgent Matter

Tim:

The mounting costs and delays on the Jefferson Project are entirely problems of your own client's making. In short, the recent increases in project costs and delays in the project schedule are a result of the disarray and mismanagement of the property under your client's supervision, the scale of which has only recently become apparent to the Receiver.

The proposed increase in the Receiver's borrowing limit is a direct consequence of the poor state of the project and its governance at the time of the Receiver's appointment. These increased borrowings are, therefore, necessary to ensure that the project can continue.

The Receiver appreciates that your client is concerned with protecting the value of the project with a view to maximizing any potential equity for the benefit of all stakeholders. However, in light of the state of the project, accomplishing this will require extensive resources and a significant overhaul of the operations of the project. In the circumstances, the Receiver simply has no choice but to substantially expand its borrowing capacity to accomplish this overhaul. For all of these reasons, the Receiver is not prepared to agree to adjourn the motion.

In response to the specific issues that Fansway raised with the Receiver:

1. Update on funding and payments to suppliers/trades/vendors and to address comments regarding delays in paying trades.

Since the Receiver's appointment on December 21, 2023, the Receiver has attended to the following urgent items over the holiday season in order to stabilize the operations:

- Worked with the Construction Manager to immediately deal with security issues and critical supplier payments.
- Addressed certain liens that were filed against the Property that were registered on the date of the Receiver's appointment.
- Arranged for emergency funding from the lenders for \$1MM which was received on December 22, 2023. This funding was to address critically urgent payments for continued service.
- requested meetings with the lender to discuss the process for the next funding request.
- issued payments of approximately \$4 million on January 10, 2024. These amounts were reviewed by the Cost Consultant for proper and complete documentation. For invoices not pertaining to a fixed contract, all PO's were reviewed to ensure proper authorization was received.

The Receiver noted that there was a lack of procedures and controls in place with the current CM. A large volume of requests appeared every day as “urgent” in nature with the threat that the occupancy/closing schedule would be negatively impacted if payments were not approved and released immediately. In certain instances, there was no clear description as to the services provided.

The Receiver understands from the Glynn report that only 37% of trades/suppliers were working from a form of contract with the majority being sourced on an LOI or an open PO basis. This approach does not provide for project cost certainty.

2. Hiring a Director of Construction

The Receiver, in consultation with the senior secured lender, determined it necessary to hire a Director of Construction to assist the Receiver with oversight over the current CM as well as provide expertise on governance, processes, controls and reporting related to the construction process for this project. The Receiver requested proposals from candidates recommended by Cameron Stephens. After an analysis and input from the ToddGlen group, Camcos Management was selected as the successful candidate and engaged on January 15, 2024.

3. The increased costs in excess of \$7 million after the Receiver was appointed.

The Glynn report dated January 11, 2024 (which Mr. Wang now has) provides the detailed information to explain the changes to the budget.

In terms of why the budget increased substantially, the Receiver understands that under Fanseay’s watch, prior versions of the budget were based upon incomplete information. For instance, the Glynn Group noted that there appeared to be an information silo and not all project related contracts and costs were provided to the cost consultant.

The Receiver provided the Glynn Group with access to all contracts as downloaded from the Grand Grace server as well as all contracts provided by the Construction Manager. The revised budget was then prepared based on all of this information as well as discussions between the Glynn Group and the Construction Manager.

4. Dealings with Core Constructors as CM

Since the Receiver’s appointment, it has worked with the CM in order to ensure the continued operation and development of the project.

The Receiver concluded that the CM was not fit for the role.

In discussions with the Director of Construction, it became clear that many suppliers/trades utilized were unknown to them. As a result, certain trades/suppliers are being heavily reviewed to ensure that services or goods were properly provided. In addition, the Receiver has been made aware that certain trades/suppliers may have some form of direct relationship with the CM and the Receiver is reviewing this matter further.

Based on the foregoing issues encountered with the CM as well as a request by Core for an extension of its engagement that would see a significant increase to the CM’s contract cost, the Receiver decided that the existing contract with Core would not be renewed.

5. Temporary closure of the site / Hiring of New CM

In a meeting with the lenders and the Director of Construction, the Receiver learned that the site had multiple and significant health and safety violations. A recommendation was made by the Director of Construction to the Receiver that the site be temporarily shut down to address these issues. The site was shut down on January 24 at 5:00 pm.

Elevate/LCH was engaged as the new CM and was onsite to execute the site shut down.

As part of the transition, Elevate has coordinated field meetings with all consultants of record to allow these parties to conduct an “as-is” project deficiency audit. This will provide for the ability to formalize any and all remaining deficiencies.

A meeting with all trades and suppliers will also be held in the near future.

- 6. Update on the occupancy and closing schedule as provided by Core Construction to Mr. Fansay Wang.

Below is the closing/occupancy schedule, as provided by Core Construction to Mr. Fansay Wang:

	New PDI Dates	Occupancy Dates
Block A	26-Feb	28-Feb
Block B	28-Mar	31-Mar
Block C	22-Feb	28-Feb
Block D	29-Jan	31-Jan
Block E	18-Feb	28-Feb
Block F	29-Jan	31-Jan

In consultation with ToddGlen, Glynn Group and the Director of Construction, the Receiver has learned that the above timelines were never achievable for a January 31, 2024 occupancy.

The Director of Construction will be preparing a complete update in respect of outstanding items for each block.

The Receiver will be working with the new CM and the Director of Construction to revise the schedule to reflect an achievable target for occupancy/closing. The Receiver will work with the new CM regarding any notices that need to be issued to homeowners.

From: Timothy Dunn <TDunn@mindengross.com>

Sent: Thursday, January 18, 2024 10:04 AM

To: Jeff Larry <Jeff.Larry@paliareroland.com>; Ryan Shah <ryan.shah@paliareroland.com>; Dan Woo <dwoo@albertgelman.com>; Tom McElroy <tmcelroy@albertgelman.com>

Cc: Fansay Wang <fansayw@grandgracedevelopment.com>

Subject: Jefferson Project

Sensitivity: Private

Morning all.

Just a quick follow-up on our recent Teams meeting.

We left it that it would take a day or so to gather together the information necessary to address the questions of concern to Fansay and as set out in my email to Jeff of Sunday January 14.

Please advise on your progress in connection with this matter. Will the information be circulated today?

As you know from our discussion, it is imperative that Fansay receive the requested information expeditiously in order to arrange the proposed refinancing on a timely basis.

The delays and increased costs are most troubling and serve to reinforce the need for Fansay and his team to have an urgent meeting with the Toddglan and Glenn Group.

We understand that the receiver has a lot of demands being placed on its time and has finite resources but Fansay and his team are confident that their involvement will assist in accelerating the repayment of all creditors and the return of the project to the Jefferson Debtors.

Please advise on how we can move forward in a collaborative manner.

Best regards, Tim.

TIMOTHY R. DUNN*

T: [416.369.4335](tel:416.369.4335) **F:** 416.864.9223 www.mindengross.com

145 King St. West, Suite 2200, Toronto, ON M5H 4G2

Save contact details: [Timothy R. Dunn](#)

*Partner through Professional Corporation

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APPENDIX D

Tom McElroy

From: Fanseday Wang <fansedayw@grandgracedevelopment.com>
Sent: January 27, 2024 6:58 PM
To: Dan Woo; comptabilite@structuresrbr.ca
Cc: Tom McElroy; Gregory Azeff; Jonathan Thibodeau; René Lessard; Jeffrey Larry; Bryan Gelman
Subject: Overdue Invoices for about three months - Structures R.B.R. Inc.
Attachments: État client_30888.pdf; 52696.pdf; 52589.pdf; 52588.pdf; 52587.pdf; 52506.pdf; 52481.pdf

Hi Dan,

I can see these are Oct, Nov. bills, and there are in the bill logs approved by the QS Glynn, I know that before the receivership, and I mentioned that in the transfer package.

Can you advise why they dont receive payment till now.

Yours Sincerely,



Fanseday Wang
President

Together we create communities!

Begin forwarded message:

From: Fanseday Wang <fansedayw@grandgracedevelopment.com>
Subject: Fwd: Invoices - Structures R.B.R. Inc.
Date: January 24, 2024 at 8:53:32 PM EST
To: Dan Woo <dwoo@albertgelman.com>, comptabilite@structuresrbr.ca
Cc: Timothy Dunn <TDunn@mindengross.com>, Tom McElroy <tmcelroy@albertgelman.com>, Jonathan Thibodeau <JThibodeau@structuresrbr.ca>, René Lessard <rlessard@structuresrbr.ca>

Hi Jessie,

I connect you with Dan and Tom, the representative of receiver of Jefferson project.

Your invoices would be paid, no worry.

Yours Sincerely,



Fanseay Wang

President

Together we create communities!

Begin forwarded message:

From: Comptabilite <comptabilite@structuresrbr.ca>

Subject: Invoices - Structures R.B.R. Inc.

Date: January 17, 2024 at 11:50:57 AM EST

To: Fanseay Wang <fanseayw@grandgracedevelopment.com>

Cc: René Lessard <RLessard@structuresrbr.ca>, Jonathan Thibodeau <JThibodeau@structuresrbr.ca>

Bonjour Fanseay,

Here are your invoices that are overdue.

Regards,



Jessie Turgeon
Contrôleur financier

comptabilite@structuresrbr.ca

(418) 253-5454 poste 1225

370, Rue Industrielle
Saints-Anges QC G0S 3E0

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APPENDIX E1

Private and Confidential

To: Albert Gelman Inc., in its capacity as Receiver appointed of all present and future property assets of 2011836 Ontario Corp. and Jefferson Properties Limited Partnership including the real properties known municipally as 39, 53 and 67 Jefferson Side Road, Richmond Hill, Ontario.

From: MILLER THOMSON LLP,

Date: January 30, 2024

Subject: **Information Request List**

A. Documents previously requested from the Receiver

The following documentation was previously requested from the Receiver on January 14, 2024 and the below documentary requests remain outstanding. Please provide copies of the following documents:

1. The professional fees incurred by the Receiver and its counsel to date;
2. The costs associated with the consultants, Camcos and Todd Gleen, including a brief summary of the consultants' scope of work;
3. The current indebtedness owing to Cameron Stephen Mortgage Capital Ltd. and Windsor Private Capital;
4. Detailed cost breakdown of the time and materials in connection with finalizing the Project and a current projection of future costs in connection with the time and materials required to finalize the completion of the Project;
5. Updated monthly site report(s) from the Project Construction Manager;

6. Updated report(s) with respect to the completion of repairs at the Project, which were confirmed to be 90-95% complete by construction consultants prior to the appointment of the Receiver;
7. Confirmation that the Pre-Delivery Inspection (“**PDI**”) schedule has not changed. In the event that the PDI schedule has been delayed, particulars with respect to the reason for such delay and any costs associated with such delay (i.e. any penalties resulting from a change to the PDI schedule);
8. Confirmation that the utilities (gas, hydro and water) have been provided to the Project site and are ready to be turned on;
9. A full breakdown of the \$7,000,000.00 loan obtained by the Receiver, including a current debt statement which includes accrued interest costs associated with the loan;
10. A copy of any financing commitment letters associated with the Receiver’s proposed increased borrowings; and
11. Confirmation that Mr. Wang and his team will be meeting with Cristian Oniga of Toddglen, Martin of Glynn Group, as well as the current Director of construction and the Construction Manager.

B. Documents with respect to the Glynn Report dated January 11, 2024

Please provide copies the following documents with respect to the Glynn Report dated January 11, 2024 (the “**Report**”):

1. All supporting invoices and documents for the latest draw referenced in the Report;
2. A detailed breakdown and explanation with respect to the budget increase to complete the Project as referenced in the Report; and
3. All financial records, including but not limited to balance statements, account payables and general ledger balance, with respect to the estimated costs to complete the Project as referenced in the Report.

C. Documents in connection with the completion of the Project

Please provide copies of the following documents in connection with the completion of the Project:

1. Any delay notices delivered to the purchasers after the appointment of the Receiver;
2. All consultant reports issued after the appointment of the Receiver, including construction progress reports and deficiency reports with photos, videos and/or notes;
3. All city inspection notes and records received after the appointment of the Receiver;
4. The updated Bulletin 19 Report;

5. All current construction contracts and purchase orders entered into after the appointment of the Receiver, including all agreements/communications with trades regarding the completion of the various contracts and schedule of values indicating progress of work; and
6. Any lien claimant documents in respect of liens registered to the Project after the appointment of the Receiver.

APPENDIX E2

Tom McElroy

From: Jeff.Larry@paliarerland.com
Sent: February 1, 2024 10:09 AM
To: gazeff@millertthomson.com
Cc: rdelvecchio@millertthomson.com; Bryan Gelman; Adam Zeldin; Dan Woo; Tom McElroy; ryan.shah@paliarerland.com
Subject: RE: Information request
Attachments: 1. Mortgage Statement for Information Purposes - 2024.pdf; 2a. Block C - Finishes.pdf; 2b. Block D - Finishes.pdf; 2c. Block E - Finishes.pdf; 3. Email to T. Dunn Jan 22 24.pdf; 4a. Title search_PIN 03208-3229.pdf; 4b. Title search_PIN 03208-3230.pdf; Receiver_s Response to Fansey_s Jan 30 24 Request for Information - Jefferson FINAL (Feb 1).pdf

Greg/Riccardo:

I am attaching the Receiver's response to Fansey's information requests and the attachments thereto.

The Receiver spent considerable time putting this together and we trust that this, together with all of the other information previously provided to your client and the court, addresses his questions and will remove any opposition that he could possibly have to the Receiver's motion for a modest increase in the borrowing authority.

We look forward to hearing from you.

From: Azeff, Gregory <gazeff@millertthomson.com>
Sent: Tuesday, January 30, 2024 8:04 PM
To: Jeff Larry <Jeff.Larry@paliarerland.com>
Cc: Del Vecchio, Riccardo <rdelvecchio@millertthomson.com>
Subject: Information request

Jeff: Please see the attached information request. I will be on a flight to Vancouver most of the day tomorrow so please contact my partner Rick Del Vecchio (cc'ed) with any questions. Thanks.

GREGORY AZEFF

Providing services on behalf of a Professional Corporation
Partner

MILLER THOMSON LLP

Scotia Plaza
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gazeff@millertthomson.com



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APPENDIX E3

A. Documents previously requested from Receiver

1. The professional fees incurred by the Receiver and its counsel to date

Response: All time has not been docketed. This information can be provided after January 2024 month end billing is completed. The Receiver and its counsel will, of course, seek court approval for their fees from time to time.

2. The costs associated with the consultants, Camcos and Todd Glenn, including a brief summary of the consultants scope of work

Response: The costs of consultants are included in the Glynn Report which you have been provided.

3. The current indebtedness owing to Cameron Stephens Mortgage Capital Ltd. and Windsor Private Capital;

Response: Details of the mortgagees' indebtedness is set out in the application record dated December 6, 2023. Since that time, CSMCL's counsel provided a mortgage statement in respect of CSMCL's indebtedness to CSMCL to Khaled Gheddai, one of the Debtors' former counsel, on January 8, 2024 by email. Enclosed herewith is a copy of that statement. The Receiver understands that WPC's indebtedness is \$5 million plus accrued and accruing interest. The Receiver has not yet undertaken its review of the indebtedness of either CSMCL or WPC.

4. Detailed cost breakdown of the time and materials in connection with finalizing the Project a current projection of future costs in connection with the time and materials required to finalize the completion of the Project.

Response: To be determined. The Receiver's construction manager, Elevate, has confirmed that any deficiency repair work will not be on a time a materials costs basis when construction resumes. Any deficiency repair work will have a proper and complete scope and all work completed will be measured against the scope. Elevate will be preparing a budget that will be completed in 4 to 6 weeks.

5. Update monthly site report(s) from the Project Construction Manager

Response: Elevate took over as construction manager on January 24, 2024. No monthly reports have been prepared by Elevate as of this time. Core Constructors did not prepare an updated report for either December 2023 or January 2024.

6. Updated report(s) with respect to the completion of repairs at the Project which were confirmed to be 90 to 95% complete by construction consultants prior to the appointment of the Receiver;

Response: Elevate held a meeting on January 29, 2024 with all of the construction consultants and requested reports with respect to any/all deficiencies. The construction consultants reports have not been completed at this time. The Receiver anticipates that these reports will be complete within three to four weeks. The Receiver provided Fanseay with a copy of the Bulleting 19 master deficiency list prepared by GM Global on January 22, 2024 which contained a significant list of current project deficiencies.

7. Confirmation that the Pre-Delivery Inspection ("PDI") schedule has not changed. In the event that the PDI schedule has been delayed, particulars with respect to the reasons for such delay and any costs associated with such delay (i.e. any penalties resulting from a change to the PDI schedule);

Response: Elevate is reviewing the pre-existing PDI schedule prepared by Core Constructors. Their review is not yet complete. We enclose a summary of finishes completed on Blocks C, D and E to date, as prepared by the Receiver's Director of Construction.

8. Confirmation that the utilities (gas, hydro and water) have been provided to the Project site and have been turned on;

Response: We have requested confirmation of the above from Elevate. We will provide you with an update in this respect in due course.

9. A full breakdown of the \$7,000,000 loan obtained by the Receiver, including a current debt statement which includes accrued interest costs associated with the loan;

Response: The Receiver will be requesting a hearing date towards the end of February. At that time, the Receiver's interim statement of receipts and disbursements will be prepared and included with its second report to Court which will form part of its motion record.

10. A copy of any financing commitment letters associated with the Receiver's proposed increased borrowings; and,

Response: The Receiver's Borrowings Certificates are included as Appendix "B" to the Receiver's First Report to Court dated January 18, 2024. Please refer to the Receiver's First Report which includes information relating to the Receiver's proposed borrowings.

11. Confirmation that Mr. Wang and his team will be meeting with Cristian Oniga of Todd Glenn, Martin of Glynn Group as well as the Current Director of Construction and the Construction Manager.

Response: The Receiver is not able to oblige third parties to meet with Mr. Wang nor does the Receiver feel that it will be beneficial to involve Mr. Wang in any such meetings. We understand that Mr. Wang has made requests to several of the above noted consultants for meetings.

B. Documents with respect to the Glynn Report dated January 11, 2024

Please provide copies of the following documents with respect to the Glynn Report dated January 11, 2024 (the "Report"):

1. All supporting invoices and documents for the latest draw referenced in the Report;

Response: Refer to Exhibit "D" of the Report.

2. A detailed breakdown and explanation with respect to the budget increase to complete the Project as referenced in the Report; and,

Response: This was provided by the Receiver to Mr. Wang's legal counsel on January 22, 2024 and is enclosed again for ease of reference.

3. All financial records, including but not limited to balance statements, accounts payables and general ledger balance, with respect to the estimated costs to complete the Project referenced in the Report.

Response: The accounting records are not up to date based on the Receiver's review of the Grand Grace accounting software. As of this time, the most relevant information related to the estimated costs to complete the Project are included in the Report.

C. Documents in connection with completion of the Project

Please provide copies of the following documents in connection with the completion of the Project:

1. Any delay notices delivered to the purchasers after the appointment of the Receiver;

Response: The Receiver is reviewing the notices sent out by the prior construction manager. This information will be provided in due course.

2. All consultants reports issued after the appointment of the Receiver, including construction progress reports and deficiency reports with photos, videos and/or notes;

Response: The Receiver will have to review its engagement terms with respect to any confidentiality concerns and will provide an update in due course.

3. All city inspection notes and records received after the appointment of the Receiver;

Response: The Receiver is working with Elevate to identify the status of city inspections. We will advise in due course.

4. The updated Bulletin 19 Report;

Response: Please refer to item A6. above. The Part 9 structures were included under Bulletin 19 which is atypical. The Receiver is engaged with Tarion in this regard.

5. All current construction and purchase orders entered into after the appointment of the Receiver, including all agreements/communications with trades regarding the completion of the various contracts and schedule of values indicating progress of work; and,

Response: Elevate is reviewing all supply and trade agreements to make a determination as to whether it will continue to work with these parties.

6. Any lien claimants documents in respect of liens registered to the Project after the appointment of the Receiver.

Response: This is publicly available information. Enclosed is the most recent Land Title Search obtained by the Receiver. The Receiver is undertaking a review of each of the registered liens.

APPENDIX F

Tom McElroy

From: Fanseday Wang <fansedayw@grandgracedevelopment.com>
Sent: January 31, 2024 6:18 PM
To: Dan Woo
Cc: Tom McElroy; Bryan Gelman; John David; John Cundari; Jeffrey Larry; Stanley Heo; Jordan Kupinsky; Gregory Azeff; Riccardo Del Vecchio; Cristian Oniga; james.ciscosta@camcos.ca
Subject: Urgent: We have to hire a good builder to finish the project! Not Elevate Construction 🚧
Attachments: Fwd: Circulated Dec 28, 2023; Jefferson Towns; Evidence 1/2; To whom it may concern; 1. P2203_CV_Monthly Report Rv1- November 2023.pdf; PastedGraphic-1.tiff

Hi Dan,

From one example of trade email forwarded below I just received, and a few others sent in past few days (I attached another four) you can see what is happening on site now, I strongly suggest that Elevate construction management is not suitable to be construction manager on this project.

My argument is based on what they have done in past week:

- 1 The reason given out for 2 weeks shutdown is not true, in enclosed link https://drive.google.com/drive/folders/18y_wxxPJCKGpv9ZSI7iMSZsGNyh9T0ck?usp=share_link please find all supporting materials to tell the health and safety is under control from the day one.
- 2, The reason Jeff made in his email Jan 26 (item 5) for shutting down whole site for two weeks to do "as-is" project deficiency audit is never a normal practice in the industry, especially the ongoing site has been monitored by professional construction consultant Todd Glen, the professional Director of Construction Camcos.
- 3, The fact that Elevate has not retained a site superintendent till today! (An acquaint just got the call from Elevate to offer him this job) They didnt even ready to come to site. this might be the true reason why they want to shutdown the site first, it is 600k interest cost bcus the 2 weeks shutdown would be in fact two months delay, as trade is not remobilized when we reopen!!!

We believe based on these facts, Elevate is not working in good faith, and not able to put the project's interest above itself's, their further involvement would be a disaster to all stakeholders.

The other note we would like to add the same time is, Jeff claimed the mismanagement of CORE is the cause of schedule delay, and the delay is main part of cost overrun. We all know this is not true, the delay is caused by the insufficient funding and negligence of dealing with trades, and preference payment.

Even on Dec 28, the updated schedule is still able to affect Jan. PDI! but the missing payment till January 12-15 really piss off trades, and the way of choosing some to pay some not to pay because the work is not further required gives the site very bad name, more and more people chose to lien and launch lawsuit. All supporting materials are in the same link for your reference.

The payment problem is not only reduce manpower but also further damaging the site reputation, more and more trades would leave, and cause more cost overrun down the way! Most of the trades are fed up like Mr.Cirina, the tile installer! (we all know tile installation is on the critical path to close)

So the conclusion is Elevate is not capable, not ready and not work in good faith, To hire them for managing this site is not only to increase unrecoverable huge overrun, but also cover the wrongdoing by another wrongdoing. They are not going to finish the project before eating up all the equity left in the project.

We are now referring two five star builders, who are able to do the work faster and at better price. One of them might even consider to bring the fund to complete (instead of receiver fund), as the reciever fund is way too slow!

I believe this suggestion is the best for the project and its stakeholders, who all want to leave as soon as possible.

I am looking forward to hear back from you, I can connect you together too. Cameron Stephen knows them too and have intention to see if they can do in other sunk projects.



Fanseay Wang
President

Together we create communities!

----- Forwarded message -----

From: **Giovanni Cirinna** <avonleagio@gmail.com>
Date: Wed, Jan 31, 2024, 5:03 PM
Subject: Re: Notice to Trades and Suppliers - JEFFERSON
To: Ivy Chen <ichen@albertgelman.com>

I really don't know what's going on here. But the site shutdown makes no sense. Can't even get my tools. I've been in this business for 23 years now and this is unheard of. But my opinion is that the focus is for the receiver is to make money on the interest from the money received by the bank rather than making the trades happy so than can finish the Jefferson project. All the lies, broken promises and manipulation. 1+1=2 trades get paid on time+project gets finished on time = Everyone makes money. The email mentions that there will be 0 tolerance on threats, verbal/physical abuse and intimidation, I'm so confused on why is that even mentioned if there's no intention in screwing people over. That raises grave concerns. Getting wet before it rains? Is that what you're expecting? And why? Everyone has family who is part of the Jefferson project and I highly doubt that anyone will take such actions and jeopardizing their reputation and families.

I handed in all the requested documents for the Jan 25th draw am I getting a cheque on March 5th or not. I've had to reschedule my other jobs so I can focus and fully devote my self into completing this project and now me and my employees are out of work is that fair? How can we go on without knowing what's going on or if we're getting paid.

Thanks for taking the time in reading this email and understanding my concerns

Giovanni Cirinna

Avonlea kitchen and bathroom concepts
1989 danforth ave