

Court File No.: CV-24-00725570-00CL

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

B E T W E E N:

MELVYN EISEN, TRUSTEE

Applicant

- and -

WOODINGTON ESTATES INC.

Respondent

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

AFFIDAVIT OF MELVYN EISEN
(sworn June 20, 2025)

I, **MELVYN EISEN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a lawyer and private lender, carrying on the business of mortgage lending on behalf of investors through syndicated loans, in which I act as trustee for the lenders.

2. I act as trustee for investors in respect of a syndicated loan in the amount of \$11.5 million made to Woodington Estates Inc. (the “**Debtor**”) on or about January 9, 2019 (the “**Loan**”), and the security granted in connection therewith. The Loan was provided in connection with the purchase of property municipally known as 7110, 4th Line, Tottenham, Ontario (the “**Golf Course Lands**”) by the Debtor and the Woodington Lake Golf Club (the “**Golf Club**”) located on the Golf

Course Lands by Woodington Management Inc. (“**WMI**”). As such, I have knowledge of the facts and matters hereinafter deposed. When matters set out below are based upon information and advice from others, I have identified the source of the information and believe it to be true.

3. I previously swore an affidavit on August 7, 2024 in support of an application for the appointment of Albert Gelman Inc. (“**AGI**”) as receiver of the Golf Course Lands and the business and assets of the Golf Club operating on the Golf Course Lands (the “**First Affidavit**”). I also swore an affidavit on November 21, 2024 (the “**Second Affidavit**”) and on May 13, 2025 (the “**Third Affidavit**”).

4. Capitalized terms used but not defined in this affidavit have the meanings given to them in the First Affidavit, Second Affidavit and Third Affidavit.

5. On December 2, 2024, the Court granted an Order (the “**Receivership Order**”) on consent appointing AGI as receiver (in such capacity, the “**Receiver**”) over all of the assets, undertakings and properties of the Debtor, including the Golf Course Lands.

6. I swear this affidavit in response to the Responding Affidavit of Joseph Chetti sworn June 16, 2025 (the “**Third Chetti Affidavit**”).

7. I do not agree with many of the statements and allegations in the Third Chetti Affidavit. In this affidavit, I do not intend to respond to every statement and allegation made in the Third Chetti Affidavit, and my silence on any particular point should not be taken as an admission of the truth or accuracy of any of the statements or allegations therein that are not specifically addressed in this affidavit.

8. At paragraph 6 of the Third Chetti Affidavit, Mr. Chetti states that he and I had discussed

that, even though the general security agreement (the “**WMI GSA**”) had been granted to me by WMI in 2019 as security for the Loan, it would not be registered or relied upon by me as valid and enforceable security. I categorically deny that any such agreement existed or exists between Mr. Chetti and me, or that any such conversation took place. The statements at paragraphs 8 and 9 of the Third Chetti Affidavit are similarly false.

9. Upon reviewing my file in connection with this Loan, I have not located any record of a financing statement registered under the Ontario *Personal Property Security Act* (“**PPSA**”) in connection with the WMI GSA.

10. I am unsure whether a financing statement was registered under the PPSA in connection with the WMI GSA. I have been advised by my counsel, Chaitons LLP (“**Chaitons**”), and I believe it to be true, that it is not possible to search the Ontario Personal Property Security Registration (“**PPSR**”) system for historical PPSA registrations that have been discharged, expired or expunged. As such, I understand that a historical search cannot be performed to confirm whether a PPSA registration was ever made in respect of the WMI GSA.

11. As a trustee for investors, I would never agree to amend the terms of the Loan or agree to postpone or release the security held by me on behalf of the investors without the express consent of the investors. I never sought, and there is no evidence of me ever seeking, any consent to amend, postpone or release the security granted to me in connection with the Loan. This is the case because Mr. Chetti and I did not have the discussions mentioned at paragraphs 6, 8, and 9 of the Third Chetti Affidavit.

12. The statements made at paragraph 11 of the Third Chetti Affidavit are misleading. I did not object to WMI/1000736785 Ontario Limited (“**785 Ontario**”) granting a general security

agreement to Turf Care (the “**Turf Care GSA**”) because Mr. Chetti did not inform me of the Turf Care GSA nor did he seek my consent in respect of it. At the time that the Turf Care GSA was granted, Mr. Chetti knew, or ought to have known, that WMI had granted the WMI GSA. The WMI GSA provided that, unless and until my written consent had been obtained, WMI was prohibited from mortgaging, charging or hypothecating any of the Assets (as defined in the WMI GSA) or properties secured by the WMI GSA. I also do not understand the basis for Mr. Chetti’s assertion at paragraph 11 of the Third Chetti Affidavit that the existence of the WMI GSA would have rendered the Turf Care transaction(s) impossible. If necessary, Mr. Chetti could have approached me to request that the security granted to me in connection with the Loan be postponed to and in favour of Turf Care.

13. The statement at paragraph 12 of the Third Chetti Affidavit is misleading. I did not object to the transfer of the Golf Club business from WMI to 785 Ontario because Mr. Chetti did not inform me of, make me aware of, or seek my consent to, such transfer.

14. The statement at paragraph 13 of the Third Chetti Affidavit is false. I was unaware of the granting of the Turf Care GSA and the transfer of the Golf Club business from WMI to 785 Ontario at the relevant times, as Mr. Chetti and I never any discussions regarding the granting of the Turf Care GSA or the transfer of the Golf Club business to 785 Ontario.

15. At paragraph 30 of the Third Chetti Affidavit, Mr. Chetti asserts, with respect to the Third Mortgage, that Chaitons has “repeatedly advised they will not postpone [the Third Mortgage] in favour of prior financing”. This statement is incorrect. The Debtor, as mortgagor, under the First Mortgage and Second Mortgage, has whatever rights of redemption that are available at law, subject to obtaining leave of the Court, if necessary. No postponement is required. If, however, a

postponement is required, it is my position that the Third Mortgage will not be postponed to a refinancing in an amount exceeding the total outstanding indebtedness under the First Mortgage and Second Mortgage. It is also my position that the financial and other terms of the replacement financing must be no less favourable to the Third Mortgage than the existing First Mortgage and Second Mortgage.

16. I swear this affidavit in response to the Third Chetti Affidavit and for no improper purpose.

SWORN BEFORE ME over videoconference on this 20th day of June, 2025. The affiant was located in the City of Toronto and the commissioner was located in the City of Toronto, both in the Province of Ontario. This affidavit was commissioned remotely in accordance O. Reg. 431/20, Administering Oath or Declaration Remotely



Commissioner for Taking Affidavits
(or as may be)
Danish Afroz

Signed by:
Mel Eisen
F8C31BA67F01418...

MELVYN EISEN

MELVYN EISEN, TRUSTEE
Applicant

-and-

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Respondent

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AFFIDAVIT OF MELVYN EISEN
(sworn June 20, 2025)

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