Court File No. CL-26-00000124-0000

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

ALTERNA SAVINGS AND CREDIT UNION LIMITED

Applicant

- and -

BAIOCCHI VENTURES INC.

Respondent

APPLICATION UNDER Section 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

FIRST REPORT OF THE RECEIVER

(Dated August 7, 2026)

I. INTRODUCTION

1. This first report (the "**First Report**") is filed by Albert Gelman Inc. ("**AGI**"), in its capacity as court-appointed receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties (collectively, the "**Property**") of Baiocchi Ventures Inc. (the "**Company**" or "**BVI**"), including the real property municipally known as 15 Curity Avenue, Toronto, Ontario (the "**Curity Property**") and the real property municipally known as 8318 Maynard Road, Orono, Ontario (the "**Maynard Property**" and, together with the Curity Property, the "**Real Properties**"), by Order of the Ontario Superior Court of Justice (the "**Court**") dated June 29, 2026 (the "**Receivership Order**") made pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended. A copy of the Receivership Order is attached hereto as **Appendix "A"**.

II. PURPOSE OF THIS REPORT

2. This First Report is filed:

   a. to report to the Court on the Receiver's activities in these proceedings since the date of the Receivership Order; and

b. in support of the Receiver's motion for:

   i. an Order, among other things:

      A. approving the Sales Process for the Real Properties, as defined and further described below and authorizing the Receiver to execute a listing agreement with:

         a. CDN Global (GTA) Real Estate Services and Lennard Commercial Realty, Brokerage (together "**CDN/Lennard**") to market the Curity Property; and

         b. Lennard Commercial Realty Inc. ("**Lennard**") to market the Maynard Property;

      B. sealing Confidential Appendices "1" and "2" to this First Report until further order of the Court or the completion of the sale of the Real Properties;

   ii. an Order, among other things:

      A. granting the Receiver vacant possession of the Maynard Property; and

      B. directing Yeganeh Baiocchi ("**Ms. Baiocchi**"), and any other occupant of the Maynard Property, to vacate and deliver up to the Receiver vacant possession of the Maynard Property on or before August 31, 2026; and

   iii. an Order, among other things:

      A. amending paragraph 21 of the Receivership Order to increase the maximum principal amount the Receiver is authorized to borrow from $250,000 to $500,000;

      B. approving this First Report and the activities and conduct of the Receiver described herein; and

      C. approving the fees and disbursements of the Receiver and its independent legal counsel, Cassels Brock and Blackwell LLP ("**Cassels**"), for the period up to July 31, 2026.

III. SCOPE AND TERMS OF REFERENCE

3. In preparing this First Report, the Receiver has relied upon unaudited financial information of the Company, the Company's books and records to the extent made available to the Receiver and information obtained from Alterna Savings and Credit Union Limited ("**Alterna**") and Holloway Trading Corporation ("**Holloway**").

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 Canadian Accounting Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook.

Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to CAS or otherwise with respect to such information except as expressly stated herein.

5. This First Report has been prepared for the purposes described above. Accordingly, the reader is cautioned that this First 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 First Report, and all other Court materials and Orders filed in these receivership proceedings, are or will be available on the Receiver's website at www.albertgelman.com/filedocuments/#baiocchi (the "**Case Website**").

IV. BACKGROUND INFORMATION

8. The Company was incorporated pursuant to the Ontario *Business Corporations Act* on September 22, 2017. According to a corporate profile report dated June 29, 2026 obtained by the Receiver, Aldo Baiocchi is the President, Secretary, Treasurer and sole director of the Company.

9. Further details about the Company, the Curity Property and the events leading up to the appointment of the Receiver can be found in the affidavit of Kenneth Noronha, Vice President of Alterna, sworn March 24, 2026 (the "**Noronha Affidavit**") and filed in support of Alterna's application to obtain the Receivership Order. Additional information about the Company and the Maynard Property can be found in the Affidavit of Donald Pratt, a director and officer of Holloway (the "**Pratt Affidavit**"), filed with Holloway's responding application record.

10. To the Receiver's knowledge, BVI's only assets of material value are the Real Properties.

11. The Curity Property is an approximately 57,000 square foot commercial industrial building located in the East York area of Toronto composed of office and warehouse space. The principal tenant of the Curity Property was Daymak Inc. ("**Daymak**"), which occupied part of the premises. Daymak was itself placed into receivership by Order of this Court dated May 23, 2025 (the "**Daymak Receivership Order**") and AGI was appointed as the receiver. AGI was subsequently appointed bankruptcy trustee of Daymak. Prior to its receivership and bankruptcy, Daymak's sole director and directing mind was Mr. Baiocchi.

12. In its capacity as Receiver of Daymak and prior to its appointment as Receiver of BVI, AGI surrendered the lease over the portion of the Curity Property that Daymak had occupied.

13. The Curity Property is currently vacant.

14. The Maynard Property is a rural residential property in the Municipality of Clarington in Ontario. The Maynard Property is currently being occupied by Yeganeh Baiocchi, the spouse of Mr. Baiocchi. Based on information available to the Receiver, the property comprises approximately 196 acres with a residential dwelling, a swimming pool, a storage shed, two solar panel installations and an extensive network of private trails. The Receiver understands Alterna was not aware of BVI's ownership of the Maynard Property when it commenced the application to appoint the Receiver.

V. ACTIONS AND ACTIVITIES OF THE RECEIVER

15. Since the date of the Receivership Order, the Receiver has undertaken, among other things, the following actions and activities:

<u>The Curity Property</u>

a. took possession and control of the Curity Property on June 30, 2026;

b. toured the Curity Property, inspected and documented its condition, observed that large and small debris was scattered throughout the property and arranged for the cleanup of the debris;

c. arranged for the registration of the Receivership Order on title to the Curity Property;

d. retained TL Smith Appraisals to prepare an appraisal of the Curity Property;

e. reviewed the existing insurance policy with respect to the Curity Property and requested that the Company's insurance broker, Isure Insurance Inc., add the Receiver as additional named insured and loss payee to the Company's existing policy;

f. retained an insurance consultant to assess the adequacy of the insurance coverage over the Curity Property;

g. observed that the Curity Property remained listed for sale on the Multiple Listing Service ("**MLS**") by Jones Lang LaSalle Real Estate Services, Inc. ("**JLL**") following the Receiver's appointment and requested that JLL take down the listing, which JLL subsequently did;

h. engaged A&A Environmental Consultants Inc. to conduct a Phase I Environmental Site Assessment of the Curity Property, obtain such report, and considered additional environmental assessment steps that may be appropriate;

i. retained Richmond Advisory Inc ("**Richmond**") as property manager for the Curity Property, with a mandate that includes: (i) preparing an initial securement report identifying immediate repairs, maintenance, and other items requiring attention; (ii) inspecting the premises at least once every 72 hours; (iii) managing the utility accounts; and (iv) assisting with general maintenance of the property;

j. contacted the City of Toronto to advise of the Receiver's appointment and to request a current property tax certificate;

<u>The Maynard Property</u>

k. attended and toured the Maynard Property with Richmond on June 30, 2026 and July 6, 2026;

l. undertook the following steps to seek Ms. Baiocchi's voluntarily departure from the Maynard Property:

i. on July 6, 2026, met with Ms. Baiocchi in person and requested that she vacate the Maynard Property and also provide the Receiver with any evidence that she might have to justify her occupation of the Maynard Property;

ii. on July 16, 2026, the Receiver's counsel sent a letter to Ms. Baiocchi, again requesting that she provide proof of any legal right to occupy the Maynard Property, and proposing that she vacate the Maynard Property by no later than August 7, 2026 in order to avoid the need for the Receiver to seek a court order for possession (a copy of which letter is attached hereto as **Appendix "B"**);

iii. on July 29, 2026, following Ms. Baiocchi's retention of Patrick Bakos of BarLaw Professional Corporation as her legal counsel, the Receiver's counsel sent a follow up email with Mr. Bakos to again request proof of Ms. Baiocchi's legal right to occupy the Maynard Property be provided, and that she vacate the premises voluntarily (a copy of which email is attached hereto as **Appendix "C"**);

iv. on July 31, 2026, the Receiver's counsel sent a follow up with Ms. Baiocchi's counsel to again request any documents providing Ms. Baiocchi legal entitlement or right to occupy the Maynard Property and ask that she vacate by August 7, 2026;

v. on the afternoon of July 31, 2026, counsel for Ms. Baiocchi and the Receiver exchanged emails about a variety of matters including the Receiver's request that Ms. Baiocchi provide the Receiver vacant possession of the Maynard Property; and

vi. on August 4, 2026, the Receiver's counsel contacted Ms. Baiocchi's counsel to follow up regarding access to the Maynard Property, including access by potential listing agents (a copy of all correspondence referenced in paragraphs 15(l)(iv-vi) are attached hereto as **Appendix "D"**);

m. contacted the Municipality of Clarington to advise of the Receiver's appointment and to request a current property tax certificate;

n. arranged for the registration of the Receivership Order on title to the Maynard Property;

o. obtained and reviewed the existing insurance policy in respect of the Maynard Property;

<u>Other Actions of the Receiver</u>

p. retained Cassels to act as the Receiver's independent legal counsel in these proceedings;

q. notified Mr. Baiocchi and Ms. Baiocchi of the Receivership Order;

r. prepared and issued the prescribed notice and statement of the Receiver, pursuant to sections 245(1) and 246(1) of the BIA;

s. requested, through counsel, supporting documentation from the various other mortgagees with registered interests in either of Curity Property or the Maynard Property, in order to allow the Receiver's counsel to conduct an independent security review;

t. requested that Mr. Baiocchi provide the Receiver with copies or access to the Company's books and records;

u. contacted Canada Revenue Agency ("**CRA**") to confirm balances owing, if any and the status of BVI's tax filings;

v. established the Case Website;

w. responded to inquiries from Alterna, Holloway and other stakeholders; and

x. prepared this First Report.

VI. DIRECTOR'S LACK OF CO-OPERATION

16. On July 2, 2026, the Receiver emailed Mr. Baiocchi to request, among other things, the Company's books and records. Mr. Baiocchi responded to the Receiver and provided only: (i) certificates of insurance for the Real Properties; and (ii) the contact information of the Company's insurance brokers.

17. On July 9, 2026, Mr. Baiocchi informed the Receiver he had retained Mr. Bakos as legal counsel, and that Mr. Bakos would respond to the rest of the Receiver's requests for documents and information.

18. On July 23, 2026, Mr. Bakos advised that he was finalizing arrangements to represent Mr. Baiocchi, Ms. Baiocchi, BVI, and 1000097226 Ontario Ltd. ("**226 Ontario**").

19. On July 31, 2026, counsel for the Receiver followed up again with Mr. Bakos to obtain documents relating to BVI.

20. Despite the Receiver's requests, as of the date of this First Report, the Receiver has obtained no additional books and records from Mr. Baiocchi other than that referenced in paragraph 16 hereof.

21. The documents and information which the Receiver has requested are critical to assist the Receiver with the administration of these receivership proceedings and to properly complete its mandate.

VII. ASSETS AND LIABILITIES

Assets

22. As set out above, the Company's only assets of material value of which the Receiver is presently aware of are the Real Properties.

23. As described in Part VI above, as of the date of this First Report, Mr. Baiocchi has not provided the Receiver with the Company's books and records. Until such time as those records are provided, the Receiver is unable to confirm whether there are any other assets owned by the Company.

Liabilities

Secured Creditors – Curity Property

24. Alterna is the first registered mortgagee of the Curity Property. Alterna has advised the Receiver that it is owed $9,851,369 as of January 28, 2026, plus per diem interest of $1,654 and costs of enforcement.

25. On May 27, 2025, four days after the Daymak Receivership Order was granted, 226 Ontario, a corporation of which Ms. Baiocchi is the sole director, registered a second charge in the amount of $3,000,000 against the Curity Property (the "**226 Ontario Charge**"). The Receiver understands that the 226 Ontario Charge was registered without Alterna's consent and Alterna has alleged that the registration was in breach of BVI's covenants to Alterna.

26. Glee Blais Holdings Limited, Ciccone Holdings Inc., Kikely Holdings Inc., Jeremiah Joseph Rose, and Edith Marlene Rome (collectively, the "**Glee Blais Entities**") registered a subsequent mortgage on the Curity Property in the principal amount of $1,200,000 on June 23, 2025 (the "**Glee Blais Charge**").

27. Alterna has provided the Receiver with its loan and security documents relating to the first mortgage. Despite requests from the Receiver's counsel, neither 226 Ontario nor the Glee Blais Entities have provided copies of loan and security documents.

Contingent Creditors – Curity Property

28. Prior to the commencement of the receivership proceedings, Lawrence Koh, an individual: (i) commenced civil litigation alleging that he holds an equitable mortgage over the Curity Property ranking in priority to the 226 Ontario Charge and Glee Blais Charge but subordinate to the mortgage in favour of Alterna; and (ii) sought a certificate of pending litigation against the Curity Property. The litigation and the application for a certificate of pending litigation were stayed pursuant to the terms of the Receivership Order.

29. Mr. Koh's counsel was added to the Service List and will receive notice of matters in the receivership.

Secured Creditors – Maynard Property

30. Holloway is the first registered mortgagee of the Maynard Property. As of December 19, 2025, Holloway asserts that it was owed $2,285,622. The Receiver's counsel has received copies of the Holloway loan and security documents.

31. 379003 Ontario Limited, Angelo Italiano, Jano Italiano, Carmela Vinzi and Anthony Vinzi (collectively, the "**379 Parties**") registered a mortgage against the Maynard Property in the principal amount of $760,000 on July 30, 2024. The Receiver's counsel has received copies of the 379 Parties' loan and security documents.

32. The Glee Blais Entities registered a mortgage against the Maynard Property in the principal amount of $1,200,000 on April 17, 2025. Since the Receiver has not obtained the loan and security documents from the Glee Blais Entities, it is not aware whether these parties' mortgages on the Curity Property and the Maynard Property reflect two separate loans of $1.2 million or a single $1.2 million loan secured against both of the Real Properties.

33. Once it receives the loan and security documents from all mortgagees, the Receiver's independent legal counsel, Cassels, will review such documents to determine the validity, enforceability and priority of each mortgage. The Receiver will report to the court at a later date about the results of the security review.

Secured Creditors – PPSA Security

34. A search conducted under the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended (the "**PPSA**"), discloses registrations against the Company in favour of various secured parties, primarily relating to equipment. The Receiver is not currently in possession of any equipment subject to these registrations. Attached hereto as **Appendix "E"** is a copy of a PPSA search conducted by the Receiver, current to June 28, 2026 (the "**PPSA Search**"). A summary of the PPSA Search results is set out below.

Secured Party	Registration Date	Collateral Classification
Xpedite Leasing Inc.	June 8, 2022	Equipment
Meridian OneCap Credit Corp.	July 29, 2022	Equipment, Other
Excel Leasing Inc.	September 19, 2022	Equipment
Holloway Trading Corporation	December 15, 2022	Inventory, Equipment, Accounts, Other
Alterna Savings & Credit Union Limited	May 16, 2023	Inventory, Equipment, Accounts, Other, Motor Vehicle
Alterna Savings & Credit Union Limited	May 16, 2023	Accounts, Other
Alterna Savings & Credit Union Limited	May 16, 2023	Accounts, Other
Alterna Savings & Credit Union Limited	October 5, 2023	Equipment
Arbutus Capital Leasing Ltd.	June 19, 2024	Equipment
Arbutus Capital Leasing Ltd.	January 31, 2025	Equipment

35. The Receiver has contacted each of the creditors with PPSA registrations to request details regarding their respective security.

Realty Taxes

36. The Receiver has requested property tax information for the Real Properties from the City of Toronto and the Municipality of Clarington, but has not yet received such information. Accordingly, the Receiver is unable to confirm the amounts, if any, currently owing in respect of property taxes.

Canada Revenue Agency

37. The Receiver has submitted a request to CRA to confirm the amount of any balances owing by the Company. CRA has not yet provided the information requested by the Receiver. As such, the Receiver is unaware of whether there are any amounts owing to CRA. The Receiver is continuing to follow up with CRA to obtain the information.

Unsecured Creditors

38. As of the date of this First Report, the Receiver is not aware of any unsecured creditors of BVI, apart from Mr. Koh (if his claim for an equitable mortgage does not succeed). The Receiver requires BVI's books and records in order to determine whether any unsecured creditors exist.

VIII. ENVIRONMENTAL ASSESSMENT

39. Environmental concerns relating to the Curity Property are identified in the Due Diligence Risk Assessment dated July 16, 2019, prepared by ALTECH Environmental Consulting Ltd. (the "**2019 Risk Assessment**"). The 2019 Risk Assessment identified volatile organic compound impacted groundwater and the potential for contaminant migration beyond the boundaries of the Curity Property. To address these concerns, ALTECH Environmental Consulting Ltd. issued a Liability Opinion & Recommendation Letter dated June 15, 2021, recommending the installation of a permeable reactive barrier.

40. To better understand the current environmental condition of the Curity Property and to confirm the environmental work previously completed, the Receiver retained A&A Environmental Consultants Inc. to conduct a Phase I Environmental Site Assessment (the "**Phase I ESA**"). The Phase I Environmental Site Assessment concluded that the property is likely contaminated. It identifies the following potential sources of contamination:

a. historic metal fabrication and manufacturing activities at the property could be a source of contamination, arising from the generation of waste, and potential use and storage of hazardous substances as part of operations;

b. historic operations at neighbouring properties included the generation of various hazardous wastes (14, 16 and 19 Curity Avenue) and use of same in historic manufacturing operations; and/or

c. current operations at neighbouring properties, including a scrap metal facility, dry cleaner, pesticide storage and operator, and a chemical manufacturer, which could also be a source of contamination.

41. The Phase I ESA concludes that current site operations (a vacant industrial site) are not likely to be a source of contamination.

42. Finally, the Phase I ESA states that the building likely contains asbestos, lead paint, and mercury on account of the building having been constructed in the 1950s. The Phase I ESA recommends a building material assessment to confirm the extent of such substances.

43. The Receiver is in the process of considering whether to commission a building material assessment. The Receiver intends to post these environmental assessment documents, along with similar assessments obtained in recent years, in the data room that will be established for the sale of the Curity Property.

IX. ENGAGEMENT OF BROKER AND PROPOSED SALES PROCESS FOR CURITY PROPERTY

44. Pursuant to the Receivership Order, the Receiver is authorized to, among other things, market the Curity Property, including advertising and soliciting offers for the Curity Property, engage agents and experts, including real estate brokers, to assist with the marketing of the Curity Property, and negotiate the terms of a potential sale.

45. Given the nature and value of the Curity Property, the Receiver determined that it was necessary and appropriate in the circumstances to retain a listing agent and undertook a process to select a listing agent for the Curity Property.

46. The Receiver solicited and received listing proposals in respect of the Curity Property from each of three brokers which are anonymized in this First Report as Broker 1, Broker 2 and Broker 3, each of which the Receiver considers to be a market-leading commercial real estate services firm with relevant experience marketing and selling commercial/industrial properties of the nature of the Curity Property. The identities of Broker 1 and Broker 2 are disclosed in Confidential Appendix "1" (described below). CDN/Lennard is Broker 3.

47. The Receiver reviewed and evaluated each listing proposal against the following criteria: (i) experience selling real property similar in nature and geography to the Curity Property; (ii) experience selling real property in receivership mandates; (iii) proposed marketing and sales strategy; and (iv) commission and fee structure (collectively, the "**Realtor Selection Criteria**").

48. The selection of the listing agent was a competitive process. Following the receipt of initial listing proposals, the Receiver went back to the potential brokers to seek improvement in the terms of their proposals, especially in relation to commission rates. As a result, the Receiver was able to obtain materially improved terms.

49. Having regard to the Realtor Selection Criteria, and taking into account input provided by Alterna, the Receiver selected CDN/Lennard (i.e. Broker 3) as listing agent for the Curity Property, subject to court approval. The total commission proposed by CDN/Lennard commission is 50 basis points higher than the commission offered by Broker 1, but the Receiver selected CDN/Lennard for the following reasons: (i) CDN/Lennard demonstrated more extensive experience than Broker 1 and Broker 2 in power-of-sale, receivership and court-ordered mandates with case studies; (ii) Broker 1 listed the Curity Property for approximately a year and was unable to complete a sale; and (iii) a differential of 50 basis points on commission is relatively small given the estimated value of the Curity Property (as described further in Confidential Appendix "1"). Should the Court grant the relief requested by the Receiver, the Receiver will enter into a listing agreement with CDN/Lennard (the "**Curity Broker Agreement**"). A copy of the proposed form of Curity Broker Agreement is attached hereto as **Appendix "F"**.

50. A summary of the competing listing proposals received by the Receiver is attached hereto as **Confidential Appendix "1"**. These proposals also set out each broker's estimate of value and recommended listing price.

51. The Receiver proposes the following marketing and sale process in respect of the Curity Property (the "**Curity Property Sale Process**"):

Marketing

a. CDN/Lennard will prepare, with the prior approval of the Receiver, a multi-page, high-gloss, full-color brochure for the Curity Property, which includes high resolution aerial photography (the "**Curity Brochure**").

b. CDN/Lennard will prepare and maintain a site-specific, confidential, data room for the Curity Property, which data room will include the ability to track who has accessed and downloaded information. Access to the data room will be subject to the execution of confidentiality agreements acceptable to the Receiver in its sole discretion.

c. The Curity Property will be marketed for a minimum period of 60 days.

d. The Curity Property will be listed for sale on MLS.

e. The listing price for the Curity Property will be $13,250,000.

f. Subsequent to the Commencement Date (defined below) CDN/Lennard will distribute the Brochure to: (i) CDN/Lennard's database of potential purchasers; (ii) owners of the properties in the geographic region surrounding the Curity Property; and (iii) parties who have previously contacted the Company or the Receiver directly advising of their interest in purchasing the Curity Property.

g. At least 30 days prior to the Bid Deadline (defined below) CDN/Lennard will send a second e-blast to its database of potential purchasers.

h. CDN/Lennard will send a third e-blast to its database at least 14 days prior to the Bid Deadline.

i. The Brochure will be included in all electronic and hard-copy marketing materials.

j. Marketing of the Curity Property will include a LinkedIn post on the profiles of Patrick Langdon, Nick Yanovski and Greg Lever, who collectively have over 2,000 LinkedIn contacts.

k. A prominent, site-specific, "for sale" sign will be placed at the Curity Property.

l. CDN/Lennard will provide tours of the Curity Property to interested prospective purchasers;

m. The Curity Property will be marketed on an "as-in, where is" basis.

n. CDN/Lennard will otherwise market the Curity Property in accordance with its obligations under the Curity Broker Agreement entered into with the Receiver.

o. Offers for the Curity Property must be submitted on a form of agreement of purchase and sale to be prepared by the Receiver's counsel (the "**Curity Template APS**") and included in the data room.

Evaluation and selection of wining offer(s)

p. Offers must be submitted on the Curity Template APS and include a redline to the applicable Curity Template APS.

q. The Receiver has final authority to select the successful offer and is not obligated to accept the highest or any offer.

r. Any sale transaction involving the Curity Property is conditional upon Court approval of the same.

s. The key milestone dates of the Curity Property Sales Process are summarized in the following table:

Milestone	**Deadline**
Commencement Date	To be determined by the Receiver in consultation with CDN/Lennard.
Marketing Period	A minimum of 60 days from and including the Commencement Date, subject to extension by the Receiver as determined necessary, in its sole discretion. If the Receiver determines to extend the Marketing Period, CDN/Lennard will provide notice of such extension to all parties who, at the time of the extension, have obtained access to the data room.
Bid Deadline	At least 60 days subsequent to the Commencement Date, subject to extension by the Receiver in its sole discretion in consultation with CDN/Lennard.
Successful Offer Selection Deadline	Ten business days following the Bid Deadline. During the period subsequent to the Bid Deadline and prior to the Successful Offer Selection Deadline (the "**Selection Period**"), the Receiver, in its sole discretion, may engage with any/all bidders to provide an opportunity to submit improved offers. Any/all improved offers received during the Selection Period will be considered by the Receiver when selecting the successful offer. The Receiver has final authority to select the successful offer and is not obligated to accept the highest or any offer.
Hearing for Approval and Vesting Order	As soon as reasonably practicable following the Successful Offer Selection Deadline, subject to Court availability

52. The Receiver is seeking: (a) approval of the Receiver's process in soliciting and evaluating listing proposals and selecting CDN/Lennard as listing agent for the Curity Property; (b) authorization for the Receiver to enter into the Curity Broker Agreement; and, (c) approval of the Curity Property Sales Process and associated milestones described above. The Receiver will report further to the Court and will seek such further approvals as may be required, in respect of any agreement of purchase and sale resulting from the Curity Property Sales Process.

X. ENGAGEMENT OF BROKER AND PROPOSED SALES PROCESS FOR MAYNARD PROPERTY

53. Pursuant to the Receivership Order, the Receiver is authorized to, among other things, market the Maynard Property, including advertising and soliciting offers for the Maynard Property, engage agents and experts, including real estate brokers, to assist with the marketing of the Maynard Property, and negotiate the terms of a potential sale.

54. Given the nature and value of the Maynard Property, the Receiver determined that it was necessary and appropriate in the circumstances to retain a listing agent and undertook a process to select a listing agent for the Maynard Property.

55. The Receiver solicited and received listing proposals in respect of the Maynard Property from each of three brokers which are anonymized in this First Report as Broker 4, Broker 5 and Broker 6, each of which the Receiver considers to be a market-leading real estate services firm with relevant experience marketing and selling properties of the nature of the Maynard Property. The identities of Broker 5 and Broker 6 are disclosed in Confidential Appendix "2" (described below). Lennard is Broker 4.

56. The Receiver reviewed and evaluated each listing proposal against the Realtor Selection Criteria outlined in paragraph 47 above.

57. After receiving the initial round of listing proposals, the Receiver contacted the candidates and worked to negotiate better terms, including reduced commission rates and an appropriate commission allocation to a co-operating broker, if such co-operating broker brings in the successful bid.

58. Having regard to the Realtor Selection Criteria the Receiver selected Lennard as listing agent for the Maynard Property for the following reasons: (i) Lennard's proposed total commission was lower than Broker 5 and Broker 6 in both co-operating broker and no co-operating broker scenarios; (ii) Lennard's proposed commission for a broker introducing a buyer is higher than the commission proposed by Broker 5 (Broker 6 did not specify the quantum of commission payable to a co-op broker) thereby incentivising co-op brokers to recommend the Maynard Property to their clients; and (iii) Lennard provided more receivership case studies than Broker 5 and Broker 6 which evidenced more experience in receivership sales. Should the Court grant the relief requested by the Receiver, the Receiver will enter into a listing agreement with Lennard (the "**Maynard Broker Agreement**"). A copy of the proposed form of Maynard Broker Agreement is attached hereto as **Appendix "G"**.

59. The Receiver wishes to disclose that Michael Zeldin, the Lennard salesperson to have day-to-day carriage of the marketing of the Maynard Property, is the brother of Adam Zeldin, an employee of AGI. Adam

Zeldin is not, and will not be, involved in this receivership in any capacity. Adam Zeldin will not access any files, information or documents relating to these proceedings. Adam Zeldin has been, and will continue to be, instructed not to discuss this receivership, or any information relating to it, with Michael Zeldin. In these circumstances, the Receiver is satisfied that this familial relationship does not give rise to a conflict of interest and has no bearing on the Receiver's independence or on the conduct of the Maynard Property Sale Process (defined below). However, the Receiver wishes to disclose this relationship to the court.

60. A summary of the competing listing proposals received by the Receiver is attached hereto as **Confidential Appendix "2"**. These proposals also set out each broker's estimate of value and recommended listing price.

61. The Receiver proposes the following marketing and sale process in respect of the Maynard Property (the "**Maynard Property Sale Process**"):

Marketing

a. Lennard will prepare, with the prior approval of the Receiver, a multi-page, high-gloss, full-color brochure for the Maynard Property, which includes high resolution aerial photography (the "**Maynard Brochure**").

b. Lennard will prepare and maintain a site-specific, confidential, data room for the Maynard Property, which data room will include the ability to track who has accessed and downloaded information. Access to the data room will be subject to the execution of confidentiality agreements acceptable to the Receiver in its sole discretion.

c. The Maynard Property will be marketed for a length of time to be determined in consultation with Lennard. As described in paragraphs 63-65 below, the Receiver is concerned about fixing the minimum marketing period prior to inspection of the Maynard Property by Lennard and other professionals.

d. The Maynard Property will be listed for sale on MLS.

e. The listing price for the Maynard Property will be set at the Receiver's discretion in consultation with Lennard. As described in paragraphs 63-65 below, the Receiver is concerned about recommending a listing price until the listing agent and appraiser have inspected the Maynard Property.

f. Subsequent to the Commencement Date (defined below) Lennard will distribute the Brochure to: (i) Lennard's database of potential purchasers and brokers; and (ii) parties who have previously contacted the Company or the Receiver directly advising of their interest in purchasing the Maynard Property.

g. Lennard will send at least two additional email blasts to the above mentioned potential purchasers and brokers with timing to be discussed and set between the Receiver and Lennard.

h. The Brochure will be included in all electronic and hard-copy marketing materials.

i. Marketing of the Maynard Property will include a LinkedIn post on the profile of Michael Zeldin, who has over 4,500 contacts.

j. A prominent, site-specific, "for sale" sign will be placed at the Maynard Property.

k. Lennard and/or Richmond will provide tours of the Maynard Property to interested prospective purchasers;

l. The Maynard Property will be marketed on an "as-in, where is" basis.

m. Lennard will otherwise market the Maynard Property in accordance with its obligations under the Maynard Broker Agreement entered into with the Receiver.

n. Offers for the Maynard Property must be submitted on a form of agreement of purchase and sale to be prepared by the Receiver's counsel (the "**Maynard Template APS**") and included in the data room.

Evaluation and selection of winning offer(s)

o. Offers must be submitted on the Maynard Template APS and include a redline to the applicable Maynard Template APS.

p. The Receiver has final authority to select the successful offer and is not obligated to accept the highest or any offer.

q. Any sale transaction involving the Maynard Property is conditional upon Court approval of the same.

r. The key milestone dates of the Maynard Property Sales Process are summarized in the following table:

Milestone	**Deadline**
Commencement Date	To be determined by the Receiver in consultation with Lennard and in any event no earlier than the date the Receiver has obtained vacant possession of the Maynard Property.
Marketing Period	To be determined by the Receiver in consultation with Lennard.
Bid Deadline	No bid deadline to be set with offers to be evaluated on an "as received" basis.
Successful Offer Selection Deadline	No successful offer selection deadline to be set. The Receiver, in its sole discretion, may engage with any/all bidders to provide an opportunity to submit

	improved offers. Any/all improved offers received will be considered by the Receiver when selecting the successful offer. The Receiver has final authority to select the successful offer and is not obligated to accept the highest or any offer.
Hearing for Approval and Vesting Order	As soon as reasonably practicable following the execution of an agreement of purchase and sale for the Maynard Property fsubject to Court availability.

62. The Receiver is seeking: (a) approval of the Receiver's process in soliciting and evaluating listing proposals and selecting Lennard as listing agent for the Maynard Property; (b) authorization for the Receiver to enter into the Maynard Broker Agreement; and (c) approval of the Maynard Property Sales Process described above. The Receiver will report further to the Court and will seek such further approvals as may be required, in respect of any agreement of purchase and sale resulting from the Maynard Property Sales Process.

63. On July 29, 2026, the Receiver contacted Ms. Baiocchi twice by email to arrange a visit to the Maynard Property by potential brokers so that they could gather information for their listing proposals. Ms. Baiocchi did not respond to these emails and did not allow the brokers access to the premises.

64. As of August 6, 2026, Ms. Baiocchi has refused to permit the Receiver (except in early July as noted below) or the potential listing agents to access the Maynard Property. Each of the potential listing agents has advised the Receiver that access to the Maynard Property is required to prepare a comprehensive listing proposal, and that failure to obtain access to the Maynard Property may result in their proposal being less accurate with respect to estimated market value, suggested listing price and other relevant information. The Receiver understands that this may impair the Receiver, or any retained listing agent, from obtaining the maximum value for the Maynard Property.

65. The various listing proposals were, therefore, prepared without the ability of brokers to access the Maynard Property. Therefore, the brokers' estimates of value and proposed listing prices may be subject to variability.

XI. VACANT POSSESSION OF THE MAYNARD PROPERTY

66. As described above, pursuant to paragraph 3A of the Receivership Order, if the Receiver intends to obtain possession of the Maynard Property, it must reach an agreement with Ms. Baiocchi for vacant possession or obtain a further Order of the Court made on notice to her.

67. On June 30, 2026, representatives of the Receiver and Richmond attended at the Maynard Property to meet with Ms. Baiocchi, tour the premises, inspect and document the condition of the Maynard Property

and begin planning for an orderly transition of possession. Ms. Baiocchi had advised the Receiver, in advance of the June 30, 2026 attendance, that she was unable to attend at the scheduled time, but provided the Receiver's representatives with instructions to access the property. The Receiver's representatives toured only the exterior grounds and did not enter the residence on June 30, 2026.

68. On July 6, 2026, representatives of the Receiver and of Richmond attended the Maynard Property for a second visit with Ms. Baiocchi. During the visit, the Receiver and Richmond's representatives toured the residence as well as the external grounds. When the Receiver discussed with Ms. Baiocchi her plans to vacate the premises, she informed the Receiver that she intended to continue living at the Maynard Property and had no plans of vacating the premises. Ms. Baiocchi also told the Receiver that any discussions about vacating should be held with her legal counsel, but she failed to identify her legal counsel at that time.

69. On July 16, 2026 Cassels delivered a letter to Ms. Baiocchi requesting that she: (a) provide evidence of any legal right to occupy the Maynard Property; (b) execute a consent to an order for vacant possession; (c) vacate the Maynard Property by 5:00 p.m. (Eastern Time) on August 7, 2026, in exchange for being permitted to remain in rent-free occupancy until that date; and (d) advise by July 20, 2026 whether she accepted the proposal, failing which the Receiver would bring a motion for vacant possession.

70. On July 29, 2026, after learning that Ms. Baiocchi had retained Mr. Bakos as legal counsel, Cassels contacted Mr. Bakos to reiterate the requests made by the Receiver to Ms. Baiocchi to vacate the Maynard Property and provided him with a copy of the July 16, 2026 letter.

71. On July 31, 2026, having not received any response, the Receiver's legal counsel followed up with Ms. Baiocchi's legal counsel.

72. Also on July 31, 2026, legal counsel for Ms. Baiocchi responded to the Receiver's counsel to:

a. advise that Ms. Baiocchi did not believe that she was obligated to vacate the Maynard Property by August 7, 2026;

b. provide a copy of a lease between Ms. Baiocchi and BVI dated October 1, 2025 and relating to the Maynard Property (a copy of which is attached hereto as **Appendix "H"**) (the "**Maynard Lease**"); and

c. insist that the Receiver provide "the names of all individuals that wish to attend to view the property in advance, as well as the block of time the visitation will take place".

73. The Maynard Lease states that Ms. Baiocchi is to pay monthly rent of $1,000 and it allows her not to pay rent on a regular monthly basis but rather to do so "in lump installments representing multiple months". The Maynard Property contains a large home and almost 200 acres of grounds. The Receiver believes that $1,000 per month is significantly less than market value rent for a property with these attributes.

74. Ms. Baiocchi has not made any payment of rent to the Receiver since the time of the Receivership Order.

75. The Maynard Lease further states that, in the event that the Maynard Property is sold, Ms. Baiocchi shall be entitled to remain in occupancy for not less than 60 days after closing.

76. The Maynard Lease is not registered on title to the Maynard Property.

77. The Maynard Lease bears a date of October 1, 2025. However, the witness to the signatures on the Maynard Lease wrote in a date of March 16, 2026. Based on this fact, the Receiver believes that the Maynard Lease was signed on or around March 16, 2026.

78. Holloway's mortgage over the Maynard Property was in default by no later than December 2, 2025, the date on which Holloway made payment demand upon BVI. On December 19, 2025, Holloway served a Notice of Sale in relation to the Maynard Property. On February 27, 2026, Holloway commenced an action in Superior Court of Justice seeking payment of the mortgage and possession. All of these events occurred before March 16, 2026.

79. Given her unwillingness to allow access by the Receiver and potential brokers, Ms. Baiocchi's continued occupation of the Maynard Property is obstructing and interfering with the Receiver's ability to fulfill its mandate to market the Maynard Property and maximize the value returnable to BVI's creditors.

80. The Receiver requests an Order requiring Ms. Baiocchi to vacate and deliver to the Receiver vacant possession of the Maynard Property on or before August 31, 2026 for the following reasons:

a. Holloway's mortgage has been in default since before December 2025 and continues to accrue interest and costs to the prejudice of Holloway and BVI's other stakeholders;

b. the Receiver is authorized to market and sell the Maynard Property and the Receiver is unable to do so, or to obtain full value for it, while it remains occupied;

c. as Justice Myers noted in his Endorsement accompanying the Receivership Order dated June 29, 2026: "the Commercial List tends to work in matters of a few weeks and not three months. There is also no right to 90 days before closing on a private sale of real estate.";

d. the Receiver's June 30, 2026 and July 6, 2026 attendances at the Maynard Property confirm that Ms. Baiocchi continues to occupy and maintain the Maynard Property and its grounds, and the Receiver has been unable, notwithstanding its efforts to engage cooperatively with Ms. Baiocchi, to agree upon a voluntary vacating date with her;

e. the Maynard Lease provides for materially below-market rent;

f. the Maynard Lease may have been entered into in March 2026 after Holloway had already made payment demand and begun to enforce its security, but the lease was then back-dated to October 1, 2025; and

g. The Maynard Property is a material asset of BVI. The Receiver has been appointed to market and realize upon the Maynard Property for the benefit of stakeholders and given the nature and value of the Maynard Property, vacant possession is necessary to allow the Receiver to properly market the Property, maximize exposure to prospective purchasers and seek to achieve the highest possible recovery to creditors. Potential bidders will need access to the residence at the Maynard Property as well as the surrounding lands in order to determine whether to make an offer and, if so, for what amount. If Ms. Baiocchi remains an occupant of the Maynard Property, there is a significant risk that she will delay or block access by potential bidders.

81. The Receiver is sensitive to the personal circumstances raised by Ms. Baiocchi and remains prepared to work cooperatively with her regarding the logistics of vacating the Maynard Property. This includes providing her reasonable access to remove her personal belongings, subject to a timeline necessary to protect the interests of Holloway and the other stakeholders in these proceedings.

82. At the time of this report, Ms. Baiocchi has been aware—for more than one month—that the Receiver requires vacant possession of the Maynard Property. Ms. Baiocchi should already have been putting plans in place to vacate the premises. However, the Receiver proposes that she be given until 5 pm Eastern Time on August 31, 2026—a further two weeks after the hearing of this motion—to vacate. In addition, the Receiver intends to serve its motion record around August 7, 2026, which will provide Ms. Baiocchi with approximately three-and-a-half weeks' notice before the proposed vacancy date.

83. Given Ms. Baiocchi's lack of co-operation in the past, the order that the Receiver seeks not only requires her to vacate the premises but also provides for a writ of possession that can be enforced by the local sheriff. This is to ensure that there is compliance with any order that the court grants.

XII. FUNDING OF THE RECEIVERSHIP

84. Pursuant to paragraph 21 of the Receivership Order, the Receiver is authorized to borrow funds to a maximum principal amount of $250,000, secured by the Receiver's Borrowings Charge (as defined in the Receivership Order). This borrowing limit was based on the original intended scope of the receivership, which would only have covered the Curity Property. However, shortly prior to the June 29, 2026 hearing, Holloway sought an expansion of the scope of the receivership to include the Maynard Property as well. However, the borrowing limit in the Receivership Order was not increased to take into account the Receiver's need for additional funding given the expanded scope of the receivership.

85. As of the date of this First Report, the Receiver has sought to borrow $125,000 from Alterna and $125,000 from Holloway, totalling $250,000. Alterna and Holloway have approved those proposed borrowings. The Receiver will provide those parties with Receiver's Certificates (as defined in the Receivership Order) upon receipt of funds. These will be used to fund the administration of the receivership, including professional fees, site maintenance, insurance and other carrying costs associated with the Real Properties.

86. The Receiver anticipates that the costs of, among other things, completing the sale processes, addressing the Maynard Property (including any costs associated with obtaining vacant possession), property taxes, insurance and professional fees, will significantly exceed the current $250,000 borrowing limit under the Receivership Order. The Receiver therefore requests an Order amending paragraph 21 of the

Receivership Order to increase the maximum principal amount the Receiver is authorized to borrow from $250,000 to $500,000, with such additional amounts to be secured by the Receiver's Borrowings Charge.

XI. RECEIVER'S AND ITS COUNSEL'S ACCOUNTS

87. Pursuant to paragraph 18 of the Receivership Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Receivership Order. Pursuant to paragraph 19 of the Receivership Order, the Receiver and its counsel are required to pass their accounts.

88. As required by the Receivership Order, the Receiver is seeking approval of its accounts and the accounts of Cassels for the receivership period from inception to July 31, 2026.

89. The fees of the Receiver for the period to July 31, 2026 are detailed in the affidavit of Tom McElroy, sworn August 6, 2026, a copy of which is attached hereto as **Appendix "I"**.

90. The Receiver's fees encompass 164.9 hours at an average hourly rate of $474.85 for a total of $78,302.00, plus disbursements and applicable taxes. The Receiver is therefore requesting that this Court approve its total fees and disbursements, inclusive of applicable taxes, in the amount of $89,018.98.

91. The fees and disbursements of Cassels for the period to July 31, 2026 are detailed in the affidavit of Alec Hoy, sworn August 6, 2026, a copy of which is attached hereto as **Appendix "J"**.

92. Cassels' fees encompass 67.2 hours at an average hourly rate of $961.83 for total fees of $64,635.50, and accounts totalling $73,420.53 inclusive of disbursements and applicable taxes. The Receiver is therefore requesting that this Court approve Cassels' total fees and disbursements, inclusive of applicable taxes, in the amount of $73,420.53.

93. Because the receivership involves two properties, the Receiver and Cassels have been accounting for their time on a property-by-property basis as much as possible. In that regard, the professionals are docketing their time specifically to matters for each of the Curity Property and the Maynard Property for work done specifically in relation to that property. These professionals are also maintaining a general receivership file to record time spent on work benefitting both properties.

94. The Receiver is of the view that the hourly rates charged by the Receiver and Cassels are consistent with the rates charged by insolvency professionals and law firms practising in the area of insolvency in the Greater Toronto Area, and that the fees and disbursements incurred are reasonable and appropriate in the circumstances of this receivership.

XIII. SEALING ORDER

95. The Receiver is seeking sealing relief in respect of Confidential Appendices "1" and "2". The Confidential Appendices contain commercially sensitive information, including a summary of the listing proposals for each of the Real Properties, the release of which prior to completion of a transaction in respect

of the Real Properties could negatively impact the integrity of both sales processes each of the Real Properties and be prejudicial to the receivership estate.

96. The sealing relief is time-limited and will remain in place only until the completion of one or more sales that provide a transaction, individually or in the aggregate, of the Real Properties or further order of this Court.

XIV. RECEIVER'S CONCLUSION AND RECOMMENDATION

97. For the reasons set out in this First Report, the Receiver respectfully requests that this Honourable Court grant the relief set out in paragraph 2 of this First Report.

All of which is respectfully submitted this 7th day of August, 2026.

ALBERT GELMAN INC., solely in its capacity as Court-Appointed Receiver of Baiocchi Ventures Inc., and not in any other capacity

Per: Tom McElroy, *CIRP, LIT*