

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N:**

**DBDC SPADINA LTD.,**

**and THOSE CORPORATIONS LISTED ON SCHEDULE “A” HERETO**

**Applicants**

**- and -**

**NORMA WALTON, RONAULD WALTON, THE ROSE & THISTLE GROUP**

**LTD. and EGLINTON CASTLE INC.**

**Respondents**

**- and -**

**THOSE CORPORATIONS LISTED IN SCHEDULE “B” HERETO, TO BE**

**BOUND BY THE RESULT**

**SUPPLEMENTARY MOTION RECORD OF THE MANAGER, SCHONFELD INC.**

*(Motion returnable September 16, 2016)*

**GOODMANS LLP**

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TO: **SERVICE LIST**

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Court File No.: CV-13-10280-00CL

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**ADDENDUM TO THE FORTY-SECOND REPORT OF THE  
MANAGER, SCHONFELD INC.**  
*(Motion returnable May 3, 2016)*

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## **I. Introduction**

1. This is the Addendum to the 42<sup>nd</sup> Report of Schonfeld Inc. (the “**Manager**”) in its capacity as Manager of (i) certain companies listed at Schedule “B” to the Order of Justice Newbould (the “**November 5 Order**”) dated November 5, 2013 (the “**Schedule B Companies**”),<sup>1</sup> together with the properties owned by those companies (the “**Schedule “B” Properties**”); and (ii) the properties listed at Schedule “C” to the Judgment and Order of Justice Brown dated August 12, 2014 (the “**Schedule “C” Properties**” and together with the Schedule “B” Properties, the “**Properties**”).

### **A. Purpose of this Report**

2. The purpose of this Addendum is to revise certain information that was provided in the Manager’s 42<sup>nd</sup> Report (the “**42<sup>nd</sup> Report**”) that is relevant to the Manager’s motion as described in the 42<sup>nd</sup> Report.

### **B. Terms of Reference**

3. Based on its review and interaction with the parties to date, nothing has come to the Manager’s attention that would cause it to question the reasonableness of the information presented herein. However, the Manager has not audited, or otherwise attempted to independently verify, the accuracy or completeness of any financial information of the Companies. The Manager therefore expresses no opinion or other form of assurance in respect of any of the Companies’ financial information that may be in this Report.

4. Capitalized terms not otherwise defined have the meaning ascribed to them in the 42<sup>nd</sup> Report

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<sup>1</sup> Schedule “B” was amended by Order dated January 16, 2014.



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## **II. Proposed Interim Distribution and Holdback**

5. The Manager appended a proposed Interim Distribution Table to its 42<sup>nd</sup> Report, which listed, among other things, certain shareholder loan claims made by Christine DeJong Medical Professional Corporation (the “**DeJongs**”) against St. Clarens Holdings Ltd. (“**St. Clarens**”) and Emerson Developments Ltd. (“**Emerson**”) (the “**Shareholder Loan Claim**”).

6. The Applicants dispute the validity of DeJongs’ shareholder loans.

7. Where a party disputes the Manager’s allowance of a claim, the Manager’s practice has been to hold back funds sufficient to pay the disputed claim pending resolution of the dispute. The Manager respectfully recommends that it is appropriate to continue its practice in respect of the Shareholder Loan Claim and proposes holding back \$422,820.38 in respect of St. Clarens and \$183,663.26 in respect of Emerson pending resolution of the dispute.

8. Accordingly, the Manager has revised the Interim Distribution Table attached as Appendix “Q” to the 42<sup>nd</sup> Report. The revised Interim Distribution Table is attached hereto as Appendix “A”.

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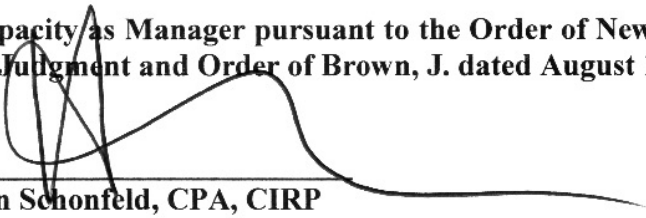
All of which is respectfully submitted this 2<sup>nd</sup> day of May, 2016.

**SCHONFELD INC.**

**In its capacity as Manager pursuant to the Order of Newbould, J. dated November 5, 2013  
and the Judgment and Order of Brown, J. dated August 12, 2014**

**Per:**

**S Harlan Schonfeld, CPA, CIRP  
Authorized Signing Officer**



**SCHEDULE “A” COMPANIES**

1. Dr. Bernstein Diet Clinics Ltd.
2. 2272551 Ontario Limited
3. DBDC Investments Atlantic Ltd.
4. DBDC Investments Pape Ltd.
5. DBDC Investments Highway 7 Ltd.
6. DBDC Investments Trent Ltd.
7. DBDC Investments St. Clair Ltd.
8. DBDC Investments Tisdale Ltd.
9. DBDC Investments Leslie Ltd.
10. DBDC Investments Lesliebrook Ltd.
11. DBDC Fraser Properties Ltd.
12. DBDC Fraser Lands Ltd.
13. DBDC Queen’s Corner Ltd.
14. DBDC Queen’s Plate Holdings Inc.
15. DBDC Dupont Developments Ltd.
16. DBDC Red Door Developments Inc.
17. DBDC Red Door Lands Inc.
18. DBDC Global Mills Ltd.
19. DBDC Donalda Developments Ltd.
20. DBDC Salmon River Properties Ltd.
21. DBDC Cityview Lands Ltd.
22. DBDC Weston Lands Ltd.
23. DBDC Double Rose Developments Ltd.
24. DBDC Skyway Holdings Ltd.
25. DBDC West Mall Holdings Ltd.
26. DBDC Royal Gate Holdings Ltd.
27. DBDC Dewhurst Developments Ltd.
28. DBDC Eddystone Place Ltd.
29. DBDC Richmond Row Holdings Ltd.

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**SCHEDULE "B" COMPANIES**

1. Twin Dragons Corporation
2. Bannockburn Lands Inc. / Skyline – 1185 Eglinton Avenue Inc.
3. Wynford Professional Centre Ltd.
4. Liberty Village Properties Inc.
5. Liberty Village Lands Inc.
6. Riverdale Mansion Ltd.
7. Royal Agincourt Corp.
8. Hidden Gem Development Inc.
9. Ascalon Lands Ltd.
10. Tisdale Mews Inc.
11. Lesliebrook Holdings Ltd.
12. Lesliebrook Lands Ltd.
13. Fraser Properties Corp.
14. Fraser Lands Ltd.
15. Queen's Corner Corp.
16. Northern Dancer Lands Ltd.
17. Dupont Developments Ltd.
18. Red Door Developments Inc. and Red Door Lands Ltd.
19. Global Mills Inc.
20. Donalda Developments Ltd.
21. Salmon River Properties Ltd.
22. Cityview Industrial Ltd.
23. Weston Lands Ltd.
24. Double Rose Developments Ltd.
25. Skyway Holdings Ltd.
26. West Mall Holdings Ltd.
27. Royal Gate Holdings Ltd.
28. Dewhurst Development Ltd.
29. Eddystone Place Inc.
30. Richmond Row Holdings Ltd.
31. El-Ad Limited

32. 165 Bathurst Inc.

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**SCHEDULE "C" PROPERTIES**

1. 3270 American Drive, Mississauga, Ontario
2. 0 Luttrell Ave., Toronto, Ontario
3. 2 Kelvin Avenue, Toronto, Ontario
4. 346 Jarvis Street, Suites A, B, C, E and F, Toronto, Ontario
5. 1 William Morgan Drive, Toronto, Ontario
6. 324 Prince Edward Drive, Toronto, Ontario
7. 24 Cecil Street, Toronto, Ontario
8. 30 and 30A Hazelton Avenue, Toronto, Ontario
9. 777 St. Clarens Avenue, Toronto, Ontario
10. 252 Carlton Street and 478 Parliament Street, Toronto, Ontario
11. 66 Gerrard Street East, Toronto, Ontario
12. 2454 Bayview Avenue, Toronto, Ontario
13. 319-321 Carlaw, Toronto, Ontario
14. 260 Emerson Ave., Toronto, Ontario
15. 44 Park Lane Circle, Toronto, Ontario
16. 19 Tennis Crescent, Toronto, Ontario
17. 646 Broadview, Toronto, Ontario

6568076

**A**

# Appendix "A"

Schedule C - Claims Process - Proposed Payment  
as of April 30, 2016

Company	Creditor	Claim Filed		Accepted		Proposed Payment		%
		Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	
<b>30A Hazelton</b> <b>(30A Hazelton)</b>	Canada Revenue Agency	37,184.54	3,991.79	37,184.54	3,991.79	37,184.54	3,991.79	
	(1) 1607544 Ontario Inc.		875,000.00					
	(2) Carcol Ltd.		30,593.77		4,538.92		4,538.92	
	(2) Lightland Inc.		1,866.20					
	Ministry of Finance, Land Tax		18,303.87		18,303.87		18,303.87	
	Terry Koks		4,637.18		4,637.18		4,637.18	
	(2) Walmar Electrical Services		2,105.19		1,240.74		1,240.74	
		37,184.54	936,498.00	37,184.54	32,712.50	37,184.54	32,712.50	100%
<b>Atala Investments</b> <b>(30 Hazelton)</b>	Cintas Canada Limited		276.73		276.73		276.73	
	Enbridge		311.21		311.21		311.21	
	Gluck Partnership Architects		944.58		944.58		944.58	
	Laser Heating & A/C Inc.	7,563.25		7,563.25		7,563.25		
	March Elevator Limited		1,672.74		1,672.74		1,672.74	
	Safety Media Inc.		836.65		836.65		836.65	
	Titan Plumbing Ltd.		949.25		949.25		949.25	
	Unistar Stone & Construction		2,034.00		2,034.00		2,034.00	
	Universal Recycling		644.52		644.52		644.52	
	(2) Walmar Electrical Services		1,469.00		271.20		271.20	
		7,563.25	9,138.68	7,563.25	7,940.88	7,563.25	7,940.88	100%
<b>1780355 Ontario</b> <b>(346 Jarvis-A,B)</b>	Canada Revenue Agency	3,959.41	14,062.23	3,959.41	14,062.23	3,959.41	14,062.23	
	(3) 781526 Ontario Inc.							
	(2) Carcol Ltd.		9,388.38		6,479.69		6,479.69	
	Titan Plumbing Ltd.		717.11		717.11		717.11	
	Unistar Stone & Construction		2,486.00		2,486.00		2,486.00	
	Wayne Long Architect		8,360.18		8,360.18		8,360.18	
		3,959.41	35,013.90	3,959.41	32,105.21	3,959.41	32,105.21	100%
<b>United Empire</b> <b>(3270 American)</b>	Canada Revenue Agency	5,358.87	2,825.30	5,358.87	2,825.30	5,358.87	2,825.30	
	Dickinson Wright LLP		4,328.54		4,328.54		4,328.54	
		5,358.87	7,153.84	5,358.87	7,153.84	5,358.87	7,153.84	100%
<b>St. Clarens</b> <b>(777 St. Clarens)</b>	Canada Revenue Agency	3,979.57	343.42	3,979.57	343.42	3,979.57	218.35	
	(4) Christine Dejong Medicine		665,000.00		665,000.00		0.00	
	MTE Consultants Inc.		33,242.10		33,242.10		21,136.00	
		3,979.57	698,585.52	3,979.57	698,585.52	3,979.57	21,354.35	64%
<b>Emerson Dev.</b> <b>(260 Emerson)</b>	Canada Revenue Agency	1,794.00	157.31	1,794.00	157.31	1,794.00	43.45	
	(4) Christine Dejong Medicine		665,000.00		665,000.00		0.00	
		1,794.00	665,157.31	1,794.00	665,157.31	1,794.00	43.45	28%
<b>6195 Cedar</b> <b>(2 Kelvin)</b>	(5) AEC Paralegal Corporation		115,680.14		72,611.91		12,417.04	
	Bousfields Inc.		6,753.89		6,753.89		1,154.95	
	East West Services Co. Ltd.		2,373.00		2,373.00		405.80	
	Enbridge		1,457.95		1,457.95		249.32	
	Optimum Waste & Recycling		5,708.14		5,708.14		976.12	
	Rady-Pentek & Edward Survey		648.62		648.62		110.92	
	Toronto Hydro		2,758.80		2,758.80		471.77	
		0.00	135,380.54	0.00	92,312.31	0.00	15,785.92	17%

- Notes:** (1) Claim filed for preferred shares; claim was disallowed, subsequently disputed by claimant.  
(2) Claim partially or completely disallowed by Manager, not disputed by claimant.  
(3) Claim filed without specified value for beneficial interest in property.  
(4) Creditor advanced \$665,000 to St. Clarens/Emerson project; claimed full amount in both properties. Payout is being deferred as Applicant opposes payment to creditor (\$422,820.38 in St. Clarens and \$183,663.26 in Emerson).  
(5) Claim includes invoice for potential recovery of realty taxes. Recommend interim payment as outlined above (17%) and total payment if realty taxes are subsequently recovered as outlined below.

AEC Paralegal Corporation	115,680.14	115,680.14	78,429.35
Bousfields Inc.	6,753.89	6,753.89	4,579.03
East West Services Co. Ltd.	2,373.00	2,373.00	1,608.86
Enbridge	1,457.95	1,457.95	988.47
Optimum Waste & Recycling	5,708.14	5,708.14	3,870.03
Rady-Pentek & Edward Survey	648.62	648.62	439.75
Toronto Hydro	2,758.80	2,758.80	1,870.42
	0.00	135,380.54	91,785.91
			68%



DBDC SPADINA LTD., et al  
Applicants

NORMA WALTON, et al  
Respondents

Court File No. CV-13-10280-00CL

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Proceeding commenced at Toronto

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*(Motion returnable September 16, 2016)*

**GOODMANS LLP**  
**Barristers & Solicitors**  
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**File No. 14-0074**