

**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**

MOTION RECORD OF THE MANAGER, SCHONFELD INC.
*(Motion for fee approval of fees and activities for the period from March 31, 2015 to
November 1, 2015, returnable December 21, 2015)*

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario
M5H 2S7

Brian Empey LSUC#: 30640G
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Lawyers for the Manager

TO: **SERVICE LIST**

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I N D E X

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Court File No.: CV-13-1 0280-00CL

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SUPERIOR COURT OF JUSTICE
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NOTICE OF MOTION

(Motion for approval of fees and activities for the period March 31, 2015 to November 1, 2015,
 returnable December 21, 2015)

Schonfeld Inc., in its capacity as manager (the “**Manager**”) of (i) certain companies listed in Schedule “B” to the Order of Justice Newbould dated November 5, 2013 (the “**Schedule B Companies**”), together with the real estate properties owned by the Companies (the “**Schedule B Properties**”), as amended by Order of Justice Newbould dated January 16, 2014, and (ii) the properties listed at Schedule “C” to the Order of Justice Brown dated August 12, 2014 (the “**Schedule C Properties**”, together with the Schedule B Properties, the “**Properties**”) will make a motion to a judge presiding on the Commercial List on December 21, 2015 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

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THE MOTION IS FOR:

1. an Order:
 - (a) approving the fees and activities of the Manager, and the fees of counsel to the Manager, Goodmans LLP from March 31, 2015 to November 1, 2015 (the **“March to November Fee Approval Period”**); and
 - (b) approving the Manager’s activities, including those described below and in the Manager’s 29th Report, 30th Report, 31st Report, 32nd Report, 33rd Report, 34th Report and 35th Report.

THE GROUNDS FOR THE MOTION ARE:

I. Background

2. The Schedule B Companies are a group of real estate development corporations incorporated as part of a series of joint ventures between Dr. Stanley Bernstein and companies that he controls (the **“Bernstein Group”**) and Norma and Ronauld Walton and entities that they control (the **“Walton Group”**). Most of the Schedule B Companies were incorporated to purchase and develop a particular Schedule B Property.

3. In the summer and fall of 2013, the relationship between the Walton Group and the Bernstein Group broke down amid allegations that the Walton Group had, among other things, placed mortgages on jointly-held properties without the Bernstein Group’s consent and failed to provide reporting required by the agreements that govern the joint venture.

4. Pursuant to the Order of Justice Newbould dated November 5, 2013 (the **“November 5 Order”**), the Manager was appointed to provide independent management of the Schedule B Companies and the Schedule B Properties for the benefit of all stakeholders.

5. The Manager’s mandate was further expanded to include certain other real estate properties owned by the Walton Group, being the Schedule C Properties, pursuant to the Reasons of Justice Brown dated August 12, 2014, and the Judgment and Order of Justice Brown dated August 12, 2014 (the **“August 12 Order”**).

II. Fees and Disbursements of the Manager and Goodmans LLP

6. The Manager's fees were approved by Order of Justice Witon-Siegal dated April 25, 2014 (with respect to the period from November 5, 2013 to December 31, 2013), Order of Justice Brown dated June 18, 2014 (with respect to the period from January 1, 2014 to May 31, 2014) and Order of Justice Newbould dated April 20, 2015 (with respect to the period from June 1, 2014 to November 30, 2014).

7. The fees and disbursements of the Manager's counsel, Goodmans LLP, were approved by Order of Justice Brown dated June 18, 2014 (with respect to the period from December 9, 2013 to May 27, 2014) and order of Justice Newbould dated April 20, 2015 (with respect to the period from May 28, 2014 to November 30, 2014).

8. By this motion, the Manager is seeking approval of its fees and activities with respect to the March to November Fee Approval Period.

9. The Manager's activities in respect of the March to November Fee Approval Period are described in the Manger's 36th Report.

10. Specifically, as set out in the Manager's 36th Report, the Manager was involved in the following activities during the November to March Fee Approval Period: (a) the marketing and sale of certain Schedule C Properties; (b) seeking approval of a methodology for allocation of its fees for the period from May 28, 2014 to November 30, 2014; (c) litigating a dispute with a former tenant of the Schedule B Property at 241 Spadina Avenue; (d) attending, and providing assistance and information relating to, the mediation and subsequent hearings and appeals of the dispute between the applicants, the respondents and certain individuals and entities that invested funds in the Schedule C Properties; (e) claims processes in respect of the following Schedule B Companies and Schedule C Companies: (i) Ascalon Lands Ltd.; (ii) Bannockburn Lands Inc.; (iii) Norther Dancer Lands Ltd.; (iv) Cecil Lighthouse Ltd.; (v) Prince Edward Properties Ltd.; and (vi) The Old Apothecary Building Inc.; (f) commencing and/or preparing to commence claims processes in respect of five Schedule C properties; (g) tax and accounting work relating to the Schedule B Properties; and (h) banking and investing work relating to the Schedule B Companies and the Schedule C Properties.

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III. Miscellaneous

11. Rules 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.
12. Such further and other grounds as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

1. The Thirty-Sixth Report of the Manager dated November 27, 2015; and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

Date: December 2, 2015

GOODMANS LLP

333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Brian Empey LSUC#: 30640G
Mark Dunn LSUC#: 55510L

Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for the Manager

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.

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 Ltd.
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. Royal Gate Nominee Inc.
29. Royal Gate (Land) Nominee Inc.
30. Dewhurst Development Ltd.
31. Eddystone Place Inc.

- 32. Richmond Row Holdings Ltd.
- 33. El-Ad (1500 Don Mills) Limited
- 34. 165 Bathurst Inc.

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

DBDC SPADINA LTD. ET AL

and

NORMA WALTON ET AL

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

Applicants

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

NOTICE OF MOTION**GOODMANS LLP**

Barristers & Solicitors
333 Bay Street, Suite 3400
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2

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

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THOSE CORPORATIONS LISTED IN SCHEDULE “B” HERETO, TO BE
 BOUND BY THE RESULT

36th REPORT OF THE MANAGER, SCHONFELD INC.
(Approval of the Manager’s fees and activities)

I. Introduction

A. Overview

1. This is the 36th Report of Schonfeld Inc. in its capacity as Manager of certain companies listed at Schedule “B” to the Order of Justice Newbould dated November 5, 2013 (the “**Schedule “B” Companies**”),¹ together with the properties owned by the Schedule “B” Companies (the

¹ Schedule “B” was amended by Order dated January 16, 2014.

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“Schedule “B” Properties”)² and as manager/receiver of the Properties listed at Schedule “C” to the Order of Justice Brown dated August 12, 2014 (the “Schedule “C” Properties”).

B. Purpose of this Report

2. This Report relates to the Manager’s motion for:

- (a) approval of the Manager’s fees, and those of its counsel, for the period from March 31, 2015 to November 1, 2015 (the “**Fee Approval Period**”);
- (b) approval of the Manager’s activities, including those described below and in the Manager’s 29th Report, 30th Report, 31st Report 32nd Report, 33rd Report and 34th Report and 35th Report; and
- (c) an Order compelling Florence Leaseholds Limited, Beatrice Leaseholds Limited and Ada Leaseholds Limited (collectively, the “Dupont Mortgagees”) to pay the amount of \$464,076 to the Manager.

3. This Report contains a description of the Manager’s activities during the Fee Approval Period and a recommendation that the relief sought by the Manager be granted.

C. Terms of reference

4. 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.

II. The Manager’s Activities

5. As noted in the Manager’s 29th Report, all of the Schedule “B” Properties were either sold or turned over to mortgagees for enforcement proceedings prior to the Fee Approval Period.

² The Manager was discharged from certain responsibilities with respect to certain of the Properties pursuant to an Order dated April 1, 2014.

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Four Schedule C Properties remained under the Manager's control during the Fee Approval Period. Each of these was sold during the Fee Approval Period, as described below.

B. Schedule "C" Properties

6. As noted above, the Manager was appointed over the Schedule "C" Properties pursuant to the August 12 Order. The stay imposed by the August 12 Order did not apply to certain mortgagees with security registered against the Schedule "C" Properties and many of these mortgagees proceeded to enforce their rights against the Schedule "C" Properties.

7. The Manager evaluated the balance of the Schedule "C" Properties to determine whether a Court-supervised marketing and sale process was appropriate in light of various factors including the amount of debt secured against each property and the anticipated sale price of that property. After completing this analysis, and canvassing various stakeholders including the Applicants and affected mortgagees, the Manager moved to be discharged from several Schedule "C" Properties (the "**Schedule "C" Discharge Properties**"). By Order dated December 17, 2014, and attached as Appendix "A", the Schedule "C" Discharge Properties were excluded from the operation of the August 12 Order.

8. Some of the Schedule C Discharge Properties generated sale proceeds in excess of the mortgages registered against the property (the "**Schedule C Proceeds**"). The Manager sought and obtained an Order appointing it manager/receiver of the Schedule C Proceeds so that these proceeds could be dealt with in an orderly way.

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9. During the Fee Approval Period, the Manager completed the marketing and sale of the following Schedule “C” Properties:

- (a) 346 Jarvis Street, Unit F;
- (b) 346 Jarvis Street, Unit A;
- (c) 346 Jarvis Street, Unit B; and
- (d) 0 Luttrell Avenue.

10. The sale of the properties at 346 Jarvis Street was complicated significantly by issues relating to the *Planning Act* that could potentially have affected (among other things) the validity of mortgages registered against these properties. After carefully evaluating the issues and considering the interests of affected stakeholders, the Manager sought and obtained approval from the Court to obtain a Certificate of Validation for each property pursuant to section 57 of the *Planning Act*. The effect of the Certificates of Validation was to cure any violations of the *Planning Act* retroactively. The Manager’s rationale for seeking certificates of validation is set out in its 31st Report, which is attached as Appendix “B” and approved by Order dated May 5, 2015 (which is attached as Appendix “C”).

C. Litigation with stakeholders

11. As described in the Manager’s 29th Report, the Manager served a motion for approval of its fees for the period from May 28, 2014 to November 30, 2014 and a methodology for allocation of these fees (the “**Fee Allocation Methodology**”). The hearing of this motion occurred during the Fee Approval Period.

12. The Fee Allocation Methodology was supported by the Applicants and not opposed by the vast majority of other stakeholders, including the Respondents. However, two groups of stakeholders opposed approval of the Manager’s fees and the Fee Approval Methodology. These groups are:

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- (a) Certain companies that have registered liens pursuant to the *Construction Lien Act* against the Schedule “B” Property at 1 and 9-11 Cityview (the “**Cityview Lien Claimants**”); and
- (b) the Dupont Mortgagees.

13. As described in the 29th Report, the Manager spent considerable time attempting to address the concerns raised by the Dupont Mortgagees and Cityview Lien Claimants. However, both the Cityview Lien Claimants and the Dupont Mortgagees opposed approval of both the Manager’s fees and the Fee Approval Methodology (although the Cityview Lien Claimants abandoned their opposition at the hearing). All of the complaints raised by the Cityview Lien Claimants and the Dupont Mortgagees were rejected by Endorsement dated April 20, 2015 which is attached as Appendix “D” and the Manager’s fees and the Fee Allocation Methodology were approved without change by Order dated April 20, 2015 and attached as Appendix “E”.

14. In addition to the foregoing, the Dupont Mortgagees brought an unsuccessful challenge to the priority of the Manager’s Charge and Manager’s Borrowing Charge (as both terms are defined in the November 5 Order). More specifically, the Dupont Mortgagees sought to subordinate the Manager’s Charge and Manager’s Borrowing Charge to their mortgage. The Dupont Mortgagees’ motion was dismissed in its entirety by Endorsement dated February 9, 2015 and attached as Appendix “F” and Order dated February 9, 2015 and attached as Appendix “G” (the “February 9 Order”).

15. The Dupont Mortgagees appealed the February 9 Order to the Ontario Court of Appeal. This appeal was based on a number of arguments not raised at the hearing of the Dupont Mortgagees’ motion and, accordingly, preparation for the appeal was relatively time consuming. The Dupont Mortgagees’ appeal was dismissed with costs to the Manager of \$20,000 on a partial indemnity basis. The Bill of Costs submitted by the Manager to the Court of Appeal is attached as Appendix “H”.

16. In addition, the Manager litigated a dispute with a former tenant of the Schedule B Property at 241 Spadina Avenue (“241 Spadina”), 2299366 Ontario Inc. operating as Strada 241 (“Strada”). Strada submitted a claim in the amount of \$550,000 as part of the Manager’s claims process for 241 Spadina. The Manager disallowed Strada’s claim and Strada disputed that

disallowance. As a result, the Manager was unable to make an equity distribution from the Spadina Property.

17. In order to resolve this issue, the Manager brought a motion for approval of its disallowance of Strada's claim, which Strada opposed. By Endorsement dated September 10, 2015 and attached as Appendix "I", the Manager's disallowance of Strada's claim was upheld. The Manager was awarded costs in the amount of \$15,750 by Endorsement dated September 29, 2015. A copy of the bill of costs submitted by the Manager in respect of the motion with Strada is attached as Appendix "J".

18. Lastly, the Manager and its counsel provided assistance and information relating to the mediation of the dispute between the applicants, the respondents and certain individuals and entities that invested funds in the Schedule C Properties (the "Schedule C Investors") and attended the mediation. After the unsuccessful conclusion of the mediation, the Manager provided information relating to, and attended at, the hearing of the various appeals of the Order of Justice Brown dated August 12, 2015. The Respondents' appeal, together with a related appeal by certain Schedule C Investors, was dismissed.

D. Claims processes

19. Several Properties have been sold and some of these sales have resulted in net proceeds after payment of transaction costs and repayment of valid mortgages. The Manager is holding such proceeds in trust pending completion of an orderly and transparent process for the identification and evaluation of claims asserted by creditors of the relevant Companies (the "**Claims Process**").

20. Since each Company has its own creditors, a separate claims process is required for each Company. The Claims Process was designed as a template so that a specific claims process can be run for any Company in respect of which the sale of its Property generates net proceeds available for potential distribution to creditors. By Order dated June 18, 2014, (the "**Claims Process Order**", a copy of which is attached hereto as Appendix "K"), Justice Brown approved a form of claims process that could be commenced and conducted by the Manager in respect of applicable Companies, and granted the Manager the discretion to only commence such a claims

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process in respect of a particular Company upon determination by the Manager that such a claims process is appropriate in the circumstances.

21. During the Fee Approval Period, the Manager completed claims processes in respect of the following Schedule B Companies and Schedule C Companies:

- (a) Ascalon Lands Ltd.;
- (b) Bannockburn Lands Inc.;
- (c) Northern Dancer Lands Ltd. (“Northern Dancer”);
- (d) Cecil Lighthouse Ltd.;
- (e) Prince Edward Properties Ltd.; and
- (f) The Old Apothecary Building Inc.

22. Distributions were made to creditors of the foregoing companies pursuant to the Order dated May 25, 2015 and attached as Appendix “L”.

23. During the Fee Approval Period, the Manager commenced and and/or prepared to commence claims processes in respect of the following Schedule C Properties.

Company	Property	Date Commenced	Claims Bar Date
Atala investments Inc.	30 Hazelton Avenue	September 25, 2015	October 26, 2015
30A Hazelton Inc.	30A Hazelton Avenue	September 25, 2015	October 26, 2015
Bible Hill Holdings Ltd.	0 Luttrell Avenue	October 9, 2015	November 9, 2015
1780355 Ontario Inc.	346 Jarvis St., Units A and B	October 9, 2015	November 9, 2015
United Empire Lands Ltd.	3270 American Drive	October 23 rd , 2015	November 23, 2015

24. Once these claims processes are complete, the Manager will seek approval for a proposed distribution to creditors.

E. Tax and accounting issues

25. When the Manager was appointed, many of the Schedule “B” Companies had not paid some or all outstanding taxes and/or had failed to file necessary documents relating to outstanding taxes including corporate tax returns and GST/HST returns. It is necessary to have an accurate understanding of the Schedule “B” Companies’ tax position in order to determine, among other things, whether any funds must be held back from distributions to account for potential tax liability and whether any of the Schedule “B” Companies are entitled to tax refunds.

26. The tax and accounting work performed by the Manager in respect of the Schedule “B” Companies is summarized in the Manager’s 29th Report. This work continued during the Fee Approval Period. The Manager expects to be in a position in the near future to file the documents required to obtain a substantial tax refund on behalf of several Schedule “B” Companies.

F. Banking and investing

27. In addition to the foregoing, the Manager has managed the financial affairs of the Schedule “B” Companies and Schedule “C” Properties and has invested net proceeds realized from the sale of properties.

G. Fee Approval

28. Attached hereto as Appendix “L” is the Affidavit of Harlan Schonfeld sworn October 9, 2015 (the “**Schonfeld Affidavit**”), attesting to the fees and disbursements of the Manager for the period from April 1, 2015 to November 1, 2015 in the amount of \$240,278,46 inclusive of HST and disbursements.

29. Attached hereto as Appendix “M” is the Affidavit of Brian Empey, a partner at Goodmans LLP (“**Goodmans**”) sworn November 27, 2015 (the “**Empey Affidavit**”), attesting to the fees and disbursements of Goodmans acting on behalf of the Manager, from April 1, 2015 to November 1, 2015 in the amount of \$307,382 inclusive of HST. The Manager has received and reviewed Goodmans’ invoices. The Manager confirmed that the fees and disbursements set out

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in Goodmans' invoices relate to advice sought by the Manager and that, in the Manager's view, Goodmans' fees and disbursements are reasonable.

III. Payment of amounts owed by the Dupont Mortgagees

30. As noted above, the Dupont Mortgagees challenged the priority of the Manager's charge, approval of the Manager's fees and the Fee Allocation methodology. All of those challenges were unsuccessful and all relevant appeal periods have now expired. Accordingly, the Dupont Mortgagees owe the following amounts to the Manager:

- (a) Approved and allocated fees in the amount of \$441,576;
- (b) Costs in the amount of \$2,500 in respect of the Manager's costs in responding to the Dupont Mortgagees' motion; and
- (c) Costs in the amount of \$20,000 in respect of the dismissal of the Dupont Mortgagees' appeal.

31. 1485 Dupont was sold in May 2015 and the proceeds of the sale are being held in trust by the Dupont Mortgagees' solicitor. The Manager seeks an Order requiring immediate payment of all amounts owed by the Dupont Mortgagees.

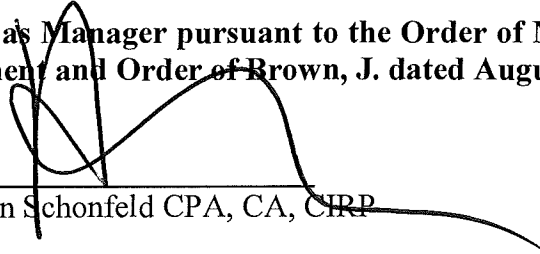
- 10 -

All of which is respectfully submitted this 27th day of November, 2015.

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, CA, CFP

SCHEDULE “A” COMPANIES

1. Dr. Bernstein Diet Clinics Ltd.
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- 2 -

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34. 165 Bathurst Inc.

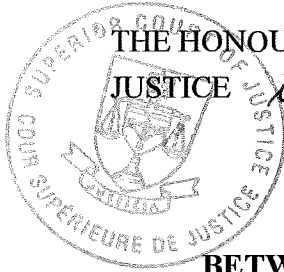
SCHEDULE "C" PROPERTIES

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A

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**



THE HONOURABLE *MR.*
JUSTICE *NEWBOULD*

)
)
)

WEDNESDAY, THE 17TH

DAY OF DECEMBER, 2014

BETWEEN:

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.

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BOUND BY THE RESULT

ORDER

THIS MOTION, made by Schonfeld Inc. (the "**Manager**") in its capacity as the manager appointed pursuant to the Order of Justice Newbould dated November 5, 2013 (the "**November 5 Order**") and as the receiver/manager pursuant to the Judgment and Order of Justice Brown dated August 12, 2014 (the "**August 12 Order**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twenty-First Report (the "**Report**") of the Manager:

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*✓ And on hearing
Submissions from counsel for the
Manager, the Applicants, Laser Heating,
and the Handelman and Sanger Mortgagees ✓*

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1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS that the Manager is hereby discharged of any responsibilities that the Manager may have had under the November 5 Order, the August 12 Order or otherwise with respect to the management, preservation or control of the property municipally known as 0 Trent Avenue, Toronto, Ontario (the “**Trent Property**”) and with respect to reporting to affected Persons (as defined in the November 5 Order) in respect of the Trent Property.

3. THIS COURT ORDERS that the Manager is hereby discharged and relieved from any further obligations, liabilities, responsibilities or duties in its capacity as receiver/manager pursuant to the November 5 Order, the August 12 Order or otherwise in respect of the following properties (collectively, the “**Schedule C Discharged Properties**”) municipally known as:

- (a) 3270 American Drive, Mississauga, Ontario;
- (b) 777 St. Clarens Avenue, Toronto, Ontario;
- (c) 260 Emerson Ave., Toronto, Ontario;
- (d) 346 Jarvis Street, Unit E, Toronto, Ontario;
- (e) 252 Carlton Street, Toronto, Ontario;
- (f) 1 William Morgan Drive, Toronto, Ontario;
- (g) 319-321 Carlaw, Toronto, Ontario;
- (h) 2 Kelvin Avenue, Toronto, Ontario; and
- (i) 44 Park Lane Circle, Toronto, Ontario.

4. THIS COURT ORDERS that the Schedule C Discharged Properties are hereby excluded from the receivership/managership proceedings pursuant to the August 12 Order effective as of

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the date hereof, including, without limitation, the stay of proceedings granted pursuant to the August 12 Order.

5. THIS COURT ORDERS that, in addition to the protections in favour of the Manager as set out in the November 5 Order, the August 12 Order, any other Order of this Court or reasons provided by this Court, the Manager shall not be liable for any act or omission on the part of the Manager in respect of the Schedule C Discharged Properties, including with respect to any reliance thereof, including, without limitation, with respect to any information disclosed, any act or omission pertaining to the discharge of the Manager's duties under the November 5 Order, the August 12 Order or otherwise in respect of the Schedule C Discharged Properties, save and except for any claim or liability arising out of any gross negligence or wilful misconduct on the part of the Manager. Subject to the foregoing and in addition to the protections of the Manager as set out in the Orders of this Court or any reasons provided by this Court, any claims against the Manager in connection with the performance of its duties as receiver/manager in respect of the Schedule C Discharged Properties are hereby released, stayed, extinguished and forever barred and the Manager shall have no liability in respect thereof.

6. THIS COURT ORDERS that no action or other proceeding shall be commenced against the Manager in any way arising from or related to its capacity or conduct as receiver/manager in respect of the Schedule C Discharged Properties except with prior leave of this Court and on at least seven (7) days' prior written notice to the Manager and such further order securing, as security for costs, the full indemnity costs of the Manager in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

7. THIS COURT ORDERS that, notwithstanding any provision of this Order, nothing contained in this Order shall affect, vary, derogate from or amend any of the rights, approvals and protections in favour of the Manager pursuant to the November 5 Order, August 12 Order, any other Order of this Court or reasons provided by this Court, or otherwise, all of which are expressly continued and confirmed.

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8. THIS COURT ORDERS that the November 5 Order and the August 12 Order continue in full force and effect except as modified by this Order in respect of the Trent Property and the Schedule C Discharged Properties.

9. THIS COURT ORDERS that, notwithstanding any other provision of this Order, the Manager's Charge (as defined in the November 5 Order) in respect of the Trent Property and in respect of the Schedule C Properties remains in full force and effect and shall not be modified by this Order in any respect.

10. THIS COURT ORDERS that in the event any mortgagee on any Schedule C Discharged Property sells or otherwise realizes value from a disposition of such Schedule C Discharged Property, the mortgagee shall pay to the Manager the amount of the Manager's Charge applicable to such Schedule C Discharged Property as determined by the Manager pursuant to a fee and cost allocation methodology that is approved by the Court to the extent of any proceeds that may remain from such sale or disposition after the following:

- (a) the discharge of any valid encumbrance, including any liens or other mortgages, registered in priority to any mortgage held by a mortgagee that is registered against that property;
- (b) the satisfaction of all usual costs and expenses of the sale of the property, including but not limited to real estate commissions and legal fees; and
- (c) the payment to any mortgagee on that property in such amounts as are necessary in order to satisfy all claims that such mortgagee may have on that property pursuant to the terms of its mortgage.

11. THIS COURT ORDERS that the Report and the activities of the Manager described therein are hereby approved.

12. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Manager and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully

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requested to make such orders and to provide such assistance to the Manager, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Manager and its agents in carrying out the terms of this Order.

ENTERED AT / INSCRIPT A TORONTO
ON / BOOK NO.:
LE / DANS LE REGISTRE NO.:

DEC 1 / 2014

AS DOCUMENT NO.:
A TITRE DE DOCUMENT NO.:
PER / PAR:



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.

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 Ltd.
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. Royal Gate Nominee Inc.
29. Royal Gate (Land) Nominee Inc.
30. Dewhurst Development Ltd.
31. Eddystone Place Inc.
32. Richmond Row Holdings Ltd.

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- 33. El-Ad (1500 Don Mills) Limited
- 34. 165 Bathurst Inc.

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

DBDC SPADINA LTD. ET AL

and

NORMA WALTON ET AL

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

Applicants

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

ORDER**GOODMANS LLP**

Barristers & Solicitors

333 Bay Street, Suite 3400

Toronto, Canada M5H 2S7

Brian Empey LSUC#: 30640G

Mark Dunn LSUC#: 55510L

Tel: 416.979.2211

Fax: 416.979.1 234

Lawyers for the Manager

B

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

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

31st REPORT OF THE MANAGER, SCHONFELD INC.

(Motion for Approval and Vesting Order with Respect to 346 Jarvis, Unit F, Distribution of
Proceeds from 1 and 9-11, Cityview and Payment of Mortgages Registered against 346 Jarvis)

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I. INTRODUCTION

1. This is the 31st 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 dated November 5, 2013 (the “**Schedule B Companies**”),¹ together with the real estate 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. This Manager has brought a motion for, among other things:

- (a) an approval and vesting order in respect of the sale transaction (the “**Transaction**”) contemplated by the Agreement of Purchase and Sale between the Manager and Jan Wielopolski (the “**Purchaser**”) dated April 15, 2015 (the “**Jarvis Unit F Agreement**”), in respect of the Property known municipally as 346 Jarvis Street, Unit F, Toronto, Ontario (the “**Jarvis Unit F Property**”). A copy of the Jarvis Unit “F” Agreement is attached as **Confidential Appendix “A”**;
- (b) an Order permitting the confidential appendices to this Report (the “**Confidential Appendices**”) to be filed under seal without being served on the Service List.

¹ Schedule “B” was amended by Order dated January 16, 2014.

- (c) Distribution of certain proceeds from the sale of the Schedule “B” Property at 1 and 9-11 Cityview (the “**Cityview Property**”) to companies have valid claims pursuant to the *Construction Lien Act* against the Cityview Property;
- (d) Payment of two mortgages registered by the Bank of Nova Scotia (“BNS”) against the Schedule “C” Properties known municipally as 346 Jarvis, Units A and B, as described below.

3. This Report provides the factual background relevant to the relief sought by the Manager and a recommendation that this Honourable Court grant the relief described in the Manager’s Notice of Motion.

B. Terms of reference

4. 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 Schedule B Companies or of the companies that own the Schedule C Properties (collectively, 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.

C. Confidentiality

5. In the Manager’s judgment, disclosure of some of the documents appended to this Report would negatively impact the Manager’s ability to carry out its mandate by, among other things, interfering with the integrity of any subsequent sales process in respect of the Jarvis Unit F Property if the Transaction is not completed. In particular, and without limiting the generality of

the foregoing, it is the Manager's judgment that it would impair the Manager's ability to maximize realization of the Jarvis Unit F Property were any information to be made public concerning any discussions of sale process or value of the Jarvis Unit F Property among the Manager, the parties or any of the Properties. Accordingly, a number of appendices to this Report have been identified as Confidential Appendices and will be filed in a separate confidential appendix brief (the "**Confidential Appendix Brief**"). The Manager respectfully requests an Order authorizing it to file the Confidential Appendices under seal without serving the Confidential Appendix Brief on the Service List.

D. Background

6. The Schedule B Companies are a group of real estate development corporations incorporated as part of a series of joint ventures between Dr. Stanley Bernstein and companies that he controls (the "**Bernstein Group**") and Norma and Ronauld Walton and entities that they control (the "**Walton Group**"). Most of the Schedule B Companies were incorporated to purchase and develop a particular Schedule B Property.

7. In the summer and fall of 2013, the relationship between the Walton Group and the Bernstein Group broke down amid allegations that the Walton Group had, among other things, placed mortgages on jointly-held properties without the Bernstein Group's consent and failed to provide reporting required by the agreements that govern the joint venture. The dispute between the Walton Group and Bernstein Group is described in more detail in the Endorsement of Justice Newbould dated November 5, 2013, which is attached as **Appendix "A"**.

8. Pursuant to the Order of Justice Newbould dated November 5, 2013 (the "**November 5 Order**"), which is attached as **Appendix "B"**, the Manager was appointed to provide

independent management of the Schedule B Companies and the Schedule B Properties for the benefit of all stakeholders.

9. The Manager's mandate was further expanded to include certain other real estate properties owned by the Walton Group, being the Schedule C Properties, pursuant to the Reasons of Justice Brown dated August 12, 2014, which are attached as **Appendix "C"**, and the Judgment and Order of Justice Brown dated August 12, 2014, which is attached as **Appendix "D"**.

II. THE TRANSACTION

A. Interested Parties

10. The Jarvis Unit F Property is one of the Schedule "C" Properties owned by the Waltons.

11. A mortgage in favour of Meridian Credit Union Limited (the "Mortgagee") is registered on title to the Jarvis Unit F Property. The balance outstanding on this mortgage was \$622,827.29 as of April 30, 2015.

12. The Manager has asked its counsel, Goodmans LLP ("Goodmans"), to conduct a security review of the Mortgage and has been advised that the Mortgage is properly registered. However, the Manager recently learned of potential *Planning Act* issues that may affect the validity of the mortgages registered on 346 Jarvis (collectively, the "**Jarvis Mortgages**"). The Manager instructed Goodmans to conduct a further review of the *Planning Act* issues and their effect on, among other things, the validity of the Mortgage. The results of this review are reported below.

13. As described below, the Manager is seeking to cure any potential *Planning Act* issues that could affect the validity of the Jarvis Mortgages. In the circumstances, it is unlikely that issues

relating to the validity of the Mortgage may not be definitively resolved before the scheduled closing date of May 7, 2015.

B. The Marketing Process

14. The Manager retained Chestnut Park Real Estate Limited (“**Chestnut Park**”) to market the Jarvis Unit F Property, along with other Units at 346 Jarvis Street.

15. The marketing process for the Jarvis Unit F Property initially commenced in July 2014, when qualified purchasers were introduced through showings of other units listed on MLS.

16. Jarvis Unit F Property was first listed by Chestnut Park on MLS on March 10, 2015. MLS Listings were advertised on www.Realtor.ca. Listings were also advertised on www.ChestnutPark.com. In addition to these advertisements, Chestnut Park sent mass emails to its client database and featured the property on the website at www.346JarvisStreet.info.

17. A more detailed description of the marketing process is set out in the Chestnut Park’s marketing report (the “**Chestnut Park Report**”), which is attached as Confidential **Appendix “B”**. Chestnut Park recommends proceeding with the Transaction.

C. Timing of the Transaction

18. The Transaction is scheduled to close on May 7, 2015.

D. Stakeholder Approval

19. The receiver of the Waltons in their personal capacity, Ira Smith Inc., the Applicants, the Mortgagee have all been advised of the Transaction. The Manager is not aware of any opposition to the Transaction.

E. Proposed Distribution of Sale Proceeds

20. Numerous stakeholders, including the creditors of the Vendor, the Applicants and the Respondents, may assert an entitlement to the proceeds from the sale of the Jarvis Unit F Property. The Manager recommends that sale proceeds, net of closing costs, be held in trust by the Manager or its counsel pending further Order of the Court on notice to all affected stakeholders and that the Mortgage be paid once any *Planning Act* issues affecting are cured as described below.

III. 346 JARVIS TITLE ISSUES

A. Background

21. When the Manager was appointed over the Schedule “C” Properties, it was advised that the Jarvis Property was comprised of six properties, which are known municipally as 346 Jarvis Street, Units A, B, C, D, E and F (collectively, the “**Jarvis Property**”). Two of these properties, Units C and D, were sold prior to the Manager’s appointment. Norma and Ronauld Walton (the “**Waltons**”) are the registered owners of Units A, B, E and F. The mortgages registered against these properties are listed below:

Unit	Description of Mortgage
Unit A	Charge from the Waltons to The Bank of Nova Scotia, registered as Instrument No. AT2868194 on November 14, 2011.
Unit B	Charge from the Waltons to The Bank of Nova Scotia, registered as Instrument No. AT2868218 on November 14, 2011.
Unit E	Charge from the Waltons to B & M Handelsman Investments Limited et al, registered as Instrument No. AT3280553 on April 19, 2013.
Unit F	Charge from the Waltons to Meridian Credit Union Limited, registered as Instrument No. AT3281212 on April 19, 2013.

22. As noted above, a syndicate of mortgagees lead by Stephen Handelman (the “**Handelman Group**”) registered a mortgage against Unit E (the “**Handelman Mortgage**”). The Handelman Group’s right to enforce the Handelman Mortgage was not stayed by the August 12 Order and it chose to commence power of sale proceedings in respect of Unit E. Accordingly, the Manager sought and obtained a discharge in respect of Unit E.

23. After its appointment, the Manager marketed Units A, B and F for sale. The sale of Unit A was approved by Order dated April 7, 2015. The sale of Unit B was approved by Order dated April 29, 2015.

24. After the sale of Unit A closed, but before any payment to The Bank of Nova Scotia (“**BNS**”) was made, the Manager learned of potential *Planning Act* issues relating to the Jarvis Property that could affect, among other things, the validity of mortgages registered against parts of the Jarvis Property. The Manager has, with the assistance of its counsel, investigated these issues. The results of this investigation are summarized below.

25. Section 50(5) of the *Planning Act* prohibits the conveyance of part of any lot of land within a registered plan of subdivision by way of deed, transfer, grant or mortgage or charge (among other dispositions of land), unless such conveyance meets one of the listed exceptions in section 50(5) of the *Planning Act* or is otherwise exempted by the *Planning Act* or other legislation.

26. On September 30, 2009, the Council of the City of Toronto (“**Council**”) adopted a recommendation that it enact a part lot control exemption by-law for the Jarvis Property pursuant to section 50(7) of the *Planning Act*.

27. Council enacted By-law No. 909-2009 on October 1, 2009, which was registered on title to the Jarvis Property on November 16, 2009 as Instrument No. AT2229482 (the “**By-law**”). The By-law, a copy of the registered version of which is attached as **Appendix “E”**, exempted the Jarvis Property from the application of section 50(5) of the *Planning Act* for a period of two years, from October 1, 2009 to September 30, 2011.

28. The effect of the By-law was to allow for the individual sale and/or mortgaging of the six parts of the Jarvis Property during the period from October 1, 2009 to September 30, 2011, subject to the approval of the Director of Community Planning.

29. On November 8, 2011, Units A and B were both conveyed to Walton from 1780355 Ontario Inc. (“**Buildco**”) a holding company controlled by the Waltons that had previously held title to the Jarvis Property by separate consecutive transfers. These conveyances occurred after the end of the two year exemption provided by the By-Law.

30. On November 14, 2011, a mortgage in favour of BNS was registered against the Unit A lands as Instrument No. AT2868194 (“**BNS A Charge**”). On November 14, 2011, a separate mortgage in favour of BNS was registered against the Unit B lands as Instrument No. AT2868218 (“**BNS B Charge**” and collectively, the “**BNS Charges**”). The principal amount of the BNS A Charge is \$600,000, and the principal amount of the BNS B Charge is \$592,000.

31. Unit E was transferred from Buildco to Lori-Ellen Nusbaum and Sheldon Tyber on July 6, 2010. The transfer was permitted at that time because of the application of the two-year exemption from section 50(5) of the *Planning Act* in the By-law.

32. Unit F was transferred from Buildco to Judy Moreno and Luisa Moreno on July 6, 2010. The transfer was permitted at that time because of the application of the two-year exemption from section 50(5) of the *Planning Act* in the By-law.

33. Unit F was subsequently transferred to the Waltons on December 17, 2012. The transfer of Unit F was permitted because of the application of the “no abutting lands” exception at section 50(5)(a) of the *Planning Act*.²

34. Unit E was subsequently transferred to the Waltons on April 15, 2013. The transfer of Unit E was permitted because of the application of the “no abutting lands” exception at section 50(5)(a) of the *Planning Act*.³

35. Accordingly, as of April 15, 2013, Units E and F were both owned by the Waltons and title between Units E and F merged on this date. Because the Waltons owned both Unit E and Unit F, a conveyance of Unit E or Unit F separate from the other would no longer be permitted without *Planning Act* consent as the Waltons could not rely on the “no abutting lands” exception at section 50(5)(a) of the *Planning Act*.

36. On April 19, 2013, a mortgage in favour of B&M Handelman Investments Limited et al. was registered against the Unit E lands as Instrument No. AT3280553 (“**Handelman E Charge**”); also on April 19, 2013, a separate mortgage in favour of Meridian Credit Union Limited was registered against the Unit F lands as Instrument No. AT3281212 (“**Meridian F Charge**”).

² It is assumed that Judy Moreno and Luisa Moreno did not retain any interest in abutting lands when they transferred Unit F to the Waltons on July 6, 2010.

³ It is assumed that Lori-Ellen Nusbaum and Sheldon Tyber did not retain any interest in abutting lands when they transferred Unit E to the Waltons on April 15, 2013.

B. Certificates of Validation

37. Based on the foregoing, it was possible (although far from certain) that issues exist with respect to the validity of each of the mortgages registered against the Jarvis Property. The Manager evaluated these issues and has determined that the appropriate course of action is to cure any potential deficiencies by obtaining a Certificate of Validation pursuant to section 57 of the *Planning Act* with respect to Units A, B and F. The effect of the Certificates of Validation will be to cure any violations of the *Planning Act* retroactively.

38. Any issues relating to the Handelman E Charge have already been cured by Certificate of Validation dated April 23, 2015, and attached as **Appendix “F”**.

39. The Manager decided to seek Certificates of Validation for several reasons. First, there is no evidence that any of the affected mortgagees benefitted in any way from the potential failure of the Waltons to comply with the *Planning Act*. Fairness considerations militate against an attack on mortgages granted in good faith by arm’s length parties. Second, there is no certainty that the mortgages in question are invalid. Litigation regarding the validity of these mortgages could easily have consumed the equity in the Jarvis Properties, to the detriment of all stakeholders. Third, affected mortgagees could have obtained a Validation Certificate to cure any *Planning Act* violations, as the Handelman Group did. Fourth, each mortgagee could potentially have rights in equity based on facts not known to the Manager.

40. The Certificates of Validation will resolve any doubt with respect to the validity of the mortgages registered against Unit A, B and F, accordingly, the Manager respectfully recommends payment of the relevant mortgages once the Certificates of Validation are obtained.

IV. THE CITYVIEW PROPERTY

41. In early December 2014, the Manager served a motion for, among other things:

- (a) Approval of the Manager's fees and disbursements, and those of its counsel, Goodmans LLP ("**Goodmans**"); and
- (b) Approval of a methodology for the allocation of Manager's fees (and those of its counsel) among the various Schedule B Companies and Schedule C Properties (the "**Fee Allocation Methodology**").

42. The Manager's motion was adjourned from December 17, 2014 to February 4, 2015 and then again from February 4, 2015 to April 16, 2015 at the request of three contractors (the "**Cityview Lien Claimants**") that registered liens (the "**Cityview Liens**") pursuant to the *Construction Lien Act* against the Cityview Properties. The Cityview Lien Claimants opposed the Manager's motion at the hearing of it on April 16, 2015.

43. By Reasons for Decision dated April 20, 2015, Justice Newbould granted the relief sought by the Manager, rejected the Cityview Lien Claimants' opposition to that relief and dismissed a separate motion by the Cityview Lien Claimants to subordinate the Manager's Charge and Manager's Borrowing Charge (as defined in the November 5 Order) to the Cityview Liens.

44. The Manager did not seek, and was not awarded, costs against the Cityview Lien Claimants. However, the Manager's and Goodmans' fees relating to the period from December 2014 to April 2015, when the Manager spent considerable time responding to the Cityview Lien Claimants' various positions, have not yet been allocated among the various assets subject to these proceedings. It may be appropriate to allocate some portion of these fees to the Cityview

Property, so that other stakeholders (primarily the Applicants) who did not oppose the Manager's motion do not bear the entire cost of responding to objections from the Cityview Lien Claimants.

45. The Manager is presently holding proceeds from the sale of the Cityview Property totalling \$825,584.92. The aggregate value of the Manager's Charge and the Manager's Borrowing Charge is presently \$367,918.77. The Manager proposes holding a further \$50,000 in reserve against a potential further allocation to the Cityview Property or further Order of the Court.

46. Based on the foregoing, the Manager proposes the following interim distribution to the Cityview Lien Claimants:

Cityview Industrial Ltd.			
Lien Claimant Distribution			
Funds on Hand at April 30, 2015	825,584.92		
Allocated fees (approved by April 20 Order)	(367,918.77)		
Holdback	(50,000.00)		
Funds Available for Distribution	407,666.15		
Lien Claimant	Approved Lien	Distribution	
Fox Contracting Ltd.	701,210.28	333,370.90	47.5%
Laser Heating & Air Conditioning Inc.	151,395.76	71,976.90	47.5%
MHBC Planning Limited	4,876.41	2,318.35	47.5%
Gemtec Wall & Ceiling Systems Ltd.	0.00	0.00	
(included in Fox Contracting)			
	857,482.45	407,666.15	47.5%

V. CONCLUSION AND RECOMMENDATIONS

47. For the reasons set out in the above report, the Manager respectfully recommends that this Honourable Court grant the relief sought in the Manager's Notice of Motion.

All of which is respectfully submitted this 1st day of May, 2015.

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: _____
Harlan Schonfeld CPA, CIRP**

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.
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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 Ltd.
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. Royal Gate Nominee Inc.
29. Royal Gate (Land) Nominee Inc.
30. Dewhurst Development Ltd.
31. Eddystone Place Inc.

- 32. Richmond Row Holdings Ltd.
- 33. El-Ad (1500 Don Mills) Limited
- 34. 165 Bathurst Inc.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE NEWBOULD

) TUESDAY, THE 5TH DAY OF MAY, 2015
)
)



DBDC SPADINA LTD.,
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

ORDER

(Approval and Vesting Order with respect to Unit F, 346 Jarvis Street, Toronto, Ontario, Interim Distribution in respect of 1 and 9-11 Cityview, Toronto and payment of mortgages registered against Units A and B, 346 Jarvis Street, Toronto)

THIS MOTION, made by Schonfeld Inc. in its capacity as the Court-appointed receiver/manager (the "**Manager**"), without security, of, among other things, the lands and building legally described as: (i) Part of Lot 2 Plan D17 Toronto designated as Part 6 on Plan 66R24790; together with an easement over Part 15 on Plan 66R24790 as in CA494127; subject to an easement in favour of Rogers Cable Communications Inc. as in AT2265539; subject to an easement in favour of Enbridge Gas Distribution Inc. as in AT2300088; together with an easement over Parts 9, 10, 11, 12 and 13 on Plan 66R24790 as in AT2387831; together with an

undivided common interest in Toronto Common Elements Condominium Corporation No. 2091, City of Toronto, being all of PIN 21105-0165 (LT); and (ii) Part of Lot 2 Plan D17 Toronto designated as Part 8 on Plan 66R24790; together with an easement over Part 15 on Plan 66R24790 as in CA494127; subject to an easement in favour of Rogers Cable Communications Inc. as in AT2265539; subject to an easement in favour of Enbridge Gas Distribution Inc. as in AT2300088; together with an easement over Parts 9, 10, 11, 12 and 13 on Plan 66R24790 as in AT2387831; together with an undivided common interest in Toronto Common Elements Condominium Corporation No. 2091, City of Toronto, being all of PIN 21105-0167 (LT) (collectively, the “**Lands**”) for an order approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale for the Lands between the Manager and Jan Wielopolski (the “**Purchaser**”) dated April 14, 2015 and accepted April 15, 2015 (the “**Sale Agreement**”), and vesting in the Purchaser all of the right, title and interest of Norma Walton and Ronald Walton (collectively, “**Walton**”) in and to the Lands, for an Order authorizing and directing an interim distribution to certain creditors of Cityview Industrial Ltd. and for an Order authorizing and directing the Manager to pay two mortgages registered against the properties known 346 Jarvis, Units A and B upon receipt by the Manager of a Certificate of Validation with respect to these properties was heard this day at 330 University Avenue, Toronto, Ontario

ON READING the 31st Report of the Manager dated May 4, 2015 (the “**Report**”) and on hearing the submissions of counsel for the Manager, no one appearing for any other person on the service list:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Manager is hereby authorized and approved, with such minor amendments as the Manager may deem necessary. The Manager is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Lands to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Manager's certificate to the Purchaser substantially in the form attached as Schedule C hereto (the "**Manager's Certificate**") and the registration of this Order on title to the Lands, all of Walton's right, title and interest, in and to the Lands shall vest absolutely in the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), purchase options, liens, executions, writs of seizure and sale, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Newbould dated November 5, 2013 and the Judgment and Order of Justice Brown dated August 12, 2014; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and (iii) those claims listed on Schedule D hereto (all of which items (i) and (ii) are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule E) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Lands are hereby expunged and discharged as against the Lands.

4. THIS COURT ORDERS that upon the registration in the Land Registry Office for the Land Titles Division of Toronto (No. 80) of an Application for Vesting Order with respect to the Lands, in the form prescribed by the *Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the Lands in fee simple, and is hereby directed to delete and expunge from title to the Lands all of the Claims listed in Schedule D hereto.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of the Claims, the proceeds of the Transaction, net of closing costs, (the "**Net Proceeds**") shall stand in the place and stead of the Lands, and that from and after the delivery of the Manager's Certificate all Claims and Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Lands immediately prior to the sale, as if the Lands had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the conveyance and sale, respectively.

6. THIS COURT ORDERS that the Net Proceeds shall be held in trust by the Manager or its counsel pending further Order of the Court. Notwithstanding the foregoing, the Manager is authorized and directed to pay the amount owed to Meridian Credit Union Limited upon receipt of a Certificate of Validation with respect to the Lands.

7. THIS COURT ORDERS AND DIRECTS the Manager to file with this Court a copy of the Manager's Certificate, forthwith after delivery thereof.

8. THIS COURT ORDERS that the Manager is authorized and directed to make an interim distribution of certain proceeds from the sale of the property known municipally as 1 and 9-11 Cityview in accordance with Schedule "F" hereto.

9. THIS COURT ORDERS that the Manager is authorized and directed to pay amounts due in respect of two mortgages registered by the Bank of Nova Scotia against the Schedule "C" Properties known municipally as 346 Jarvis, Units A and B upon receipt of Certificates of Validation with respect to such properties, as described in the Report.

10. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Walton and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of Walton;

the vesting of the Lands in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Walton and shall not be void or voidable by creditors of Walton, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

11. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

12. THIS COURT ORDERS that no holder of any Encumbrances shall take any steps or proceedings, or make any filings or claims in connection therewith, against the Lands or against the Purchaser in connection with any of such Encumbrances following delivery of the Manager's Certificate in accordance with paragraph 3 hereof.

13. THIS COURT ORDERS that the Confidential Appendices to the Report contained in the Confidential Appendix Brief (as defined in the Report) be sealed, kept confidential and not form part of the public record, but rather shall be placed separate and apart from the contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened after the Transaction is completed.

14. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Manager and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Manager, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Manager and its agents in carrying out the terms of this Order.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



MAY - 6 2015

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.

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 Ltd.
5. Liberty Village Lands Inc.
6. Riverdale Mansion Ltd.
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26. West Mall Holdings Ltd.
27. Royal Gate Holdings Ltd.
28. Royal Gate Nominee Inc.
29. Royal Gate (Land) Nominee Inc.
30. Dewhurst Development Ltd.
31. Eddystone Place Inc.
32. Richmond Row Holdings Ltd.

- 33. El-Ad (1500 Don Mills) Limited
- 34. 165 Bathurst Inc.

Schedule C Properties

- 35. 3270 American Drive, Mississauga, Ontario
- 36. 0 Luttrell Ave., Toronto, Ontario
- 37. 2 Kelvin Avenue, Toronto, Ontario
- 38. 346 Jarvis Street, Suites A, B, C, E and F, Toronto, Ontario
- 39. 1 William Morgan Drive, Toronto, Ontario
- 40. 324 Prince Edward Drive, Toronto, Ontario
- 41. 24 Cecil Street, Toronto, Ontario
- 42. 30 and 30A Hazelton Avenue, Toronto, Ontario
- 43. 777 St. Clarens Avenue, Toronto, Ontario
- 44. 252 Carlton Street and 478 Parliament Street, Toronto, Ontario
- 45. 66 Gerrard Street East, Toronto, Ontario
- 46. 2454 Bayview Avenue, Toronto, Ontario
- 47. 319-321 Carlaw, Toronto, Ontario
- 48. 260 Emerson Ave., Toronto, Ontario
- 49. 44 Park Lane Circle, Toronto, Ontario
- 50. 19 Tennis Crescent, Toronto, Ontario
- 51. 646 Broadview, Toronto, Ontario

Schedule C– Form of Manager’s Certificate

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

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

MANAGER’S CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (the “**Court**”) dated November 5, 2013 and a Judgment and Order of the Honourable Justice Brown dated August 12, 2014, Schonfeld Inc. was appointed as the Receiver/Manager (the “**Manager**”), without security, of the lands and building legally described as: (i) Part of Lot 2 Plan D17 Toronto designated as Part 6 on Plan 66R24790; together with an easement over Part 15 on Plan 66R24790 as in CA494127; subject to an easement in favour of Rogers Cable Communications Inc. as in AT2265539; subject to an easement in favour of Enbridge Gas Distribution Inc. as in AT2300088; together with an easement over Parts 9, 10, 11, 12 and 13 on Plan 66R24790 as in AT2387831; together with an undivided common interest in Toronto Common Elements Condominium Corporation No. 2091, City of Toronto, being all of PIN 21105-0165 (LT); and (ii) Part of Lot 2 Plan D17 Toronto designated as Part 8 on Plan 66R24790; together with an easement over Part 15 on Plan 66R24790 as in CA494127; subject to an easement in favour of Rogers Cable Communications Inc. as in AT2265539; subject to an easement in

favour of Enbridge Gas Distribution Inc. as in AT2300088; together with an easement over Parts 9, 10, 11, 12 and 13 on Plan 66R24790 as in AT2387831; together with an undivided common interest in Toronto Common Elements Condominium Corporation No. 2091, City of Toronto, being all of PIN 21105-0167 (LT) (collectively, the "**Lands**") and others;

- B. Pursuant to an Order of the Court dated ● (the "**Approval and Vesting Order**"), the Court approved the agreement of purchase and sale for the Lands between the Manager and Jan Wielopolski (the "**Purchaser**") dated April 14, 2015 and accepted April 15, 2015 (the "**Sale Agreement**") and provided for: (A) the vesting in the Purchaser of the right, title and interest of Norma Walton and Ronauld Walton (collectively, "**Walton**") in and to the Lands, which vesting is to be effective with respect to the Lands upon: (1) the delivery by the Manager to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Lands; (ii) that the conditions to Closing as set out in Section 6 on Schedule A to the Sale Agreement have been satisfied or waived by the Manager and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Manager; and (2) the registration of the Approval and Vesting Order on title to the Lands.
- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MANAGER CERTIFIES the following:

1. The Purchaser has paid and the Manager has received the Purchase Price for the Lands payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Section 6 on Schedule A to the Sale Agreement have been satisfied or waived by the Manager and the Purchaser; and
3. The transaction contemplated in the Sale Agreement has been completed to the satisfaction of the Manager.

This Certificate was delivered by the Manager at Toronto, Ontario on _____, 2015.

SCHONFELD INC., in its capacity as Court appointed Receiver/Manager of **346 JARVIS STREET, UNIT F, TORONTO, ONTARIO** and not in its personal capacity

Per: _____

Name: Harlan Schonfeld
Title: President

Schedule D—Claims to be deleted and expunged from title to the Lands

1. Charge in favour of Meridian Credit Union Limited in the original principal amount of \$647,500.00 registered on April 19, 2013 as Instrument No. AT3281212 (the "**Mortgage**").

Schedule E– Permitted Encumbrances, Easements and Restrictive Covenants related to the Lands

(unaffected by the Vesting Order)

1. Agreement registered July 25, 2002 as Instrument No. CA779158.
2. Notice registered July 13, 2005 as Instrument No. AT859525.
3. Notice registered July 13, 2005 as Instrument No. AT859552.
4. By-Law registered November 16, 2009 as Instrument No. AT2229482.
5. Easement registered December 23, 2009 as Instrument No. AT2265539.
6. Easement registered February 8, 2010 as Instrument No. AT2300088.
7. Condominium Declaration registered June 17, 2010 as Instrument No. AT2416044.

Schedule F – Interim Distribution re Cityview Industrial Ltd.

Cityview Industrial Ltd.			
Lien Claimant Distribution			
Funds on Hand at April 30, 2015	825,584.92		
Allocated fees (approved by April 20 Order)	(367,918.77)		
Holdback	(50,000.00)		
Funds Available for Distribution	407,666.15		
Lien Claimant	Approved Lien	Distribution	
Fox Contracting Ltd.	701,210.28	333,370.90	47.5%
Laser Heating & Air Conditioning Inc.	151,395.76	71,976.90	47.5%
MHBC Planning Limited	4,876.41	2,318.35	47.5%
Gemtec Wall & Ceiling Systems Ltd.	0.00	0.00	
(included in Fox Contracting)			
	857,482.45	407,666.15	47.5%

DBDC SPADINA LTD. ET AL
and
NORMA WALTON ET AL

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

Applicants

Respondents

ONTARIO

SUPERIOR COURT OF JUSTICE

(Commercial List)

Proceeding commenced at TORONTO

APPROVAL AND VESTING ORDER

GOODMANS LLP

Barriers & Solicitors

333 Bay Street, Suite 3400

Toronto, Canada M5H 2S7

Brian Empey LSUC#: 30640G

Mark Dunn LSUC#: 55510L

Tel: 416.979.2211

Fax: 416.979.1234

Lawyers for the Manager



SUPERIOR COURT OF JUSTICE

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Jack Copelovici	<u>jack@copel-law.com</u>	(416) 494-0910
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Lawrence F. Wallach	<u>Wallach@wallach.ca</u>	(416) 661-5600

No. of Pages Including Cover Sheet: 16

Date: April 20, 2015

RE: DBDC SPADINA LTD. ET AL. v. NORMA WALTON ET AL.
COURT FILE NO.: CV-13-10280-00CL

Please contact Yvonne Pawaroo at (416) 327-5296 if you do not receive all pages.
Thank you.

CITATION: DBCD Spadina Ltd et al v. Norma Walton et al, 2015 ONSC 2550

COURT FILE NO.: CV-13-10280-00CL

DATE: 20150420

**SUPERIOR COURT OF JUSTICE – ONTARIO
COMMERCIAL LIST**

BETWEEN:

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 ON SCHEDULE B HERETO, TO BE
BOUND BY THE RESULT

BEFORE: Newbould J.

COUNSEL: *Shara Roy*, for the Applicants

Mark Dunn and Michel Schneer, for the Manager

Lisa S. Corne, for Florence Leaseholds Limited, Beatrice Leaseholds Limited and
Ada Leaseholds Limited (the Dupont mortgagees)

Jack Copelovici and Bram M. Zinman, for Fox Contracting Limited, Laser
Heating and Air Conditioning Inc. and Gemtec Wall & Ceiling Systems Ltd. (the
Cityview lien claimants)

Lawrence F. Wallach, for E. Manson Investments Limited, B & M Handleman
Investments Limited, 1363557 Ontario Limited and Martha Sorger

HEARD: April 16, 2015

ENDORSEMENT

[1] Schonfeld Inc., the Manager of the Schedule B Companies and some of the Schedule C Companies, moves for approval of its fees and disbursements, and those of its counsel, and for approval of a methodology for the allocation of the Manager's fees and those of its counsel among the various Schedule B Companies and Schedule C Properties (the "Fee Allocation Methodology").

[2] What led to the appointment of the Manager is well described in several decisions in this matter. Suffice it to say, the 31 Schedule B companies in which Dr. Bernstein through his applicant corporations invested were terribly mismanaged by the Waltons, particularly Ms. Walton, with funds being improperly used for other purposes than contracted for, including the funnelling of money for the Walton's own personal use, and the funds being improperly commingled in a Rose & Thistle account. The books and records were at least two years behind when the Manager was appointed and Ms. Walton took steps to do her best to create after the fact accounting records to support her case. Unscrambling the eggs has been far from easy and it has been very expensive.

[3] The properties were in various stages of development. The Manager conducted a claims process and has sold 21 of the Schedule B properties for some \$165 million, paying off mortgages of some \$159 million. The Manager managed the properties, primarily through a property management company which it supervised. Because many of the properties did not have sufficient cash flow to fund their operations, the Manager was required to negotiate a borrowing arrangement with the applicants.

[4] The Manager's fees for the period from November 5, 2013 to December 31, 2013 were approved by order of Justice Wilton-Siegal dated April 25, 2014. The Manager's fees for the period from January 1, 2014 to May 31, 2014, and the fees of the Manager's counsel, Goodmans LLP, for the period from December 9, 2013 to May 27, 2014, were approved by order of Justice Brown dated June 18, 2014. The motion now is to approve fees of the Manager from June 1,

2014 to November 30, 2014 and of its counsel from May 28, 2014 to November 30, 2014, totalling approximately \$1.71 million.

[5] The Waltons were ordered on several occasions to pay the Manager's fees and expenses. They failed to do so. As authorized by the order appointing the Manager, the Manager has been paid its fees and expenses, and those of Goodmans LLP, on a monthly basis prior to Court approval. These payments were funded by:

- (a) a loan from the applicants (which was secured by the Manager's charge), which has since been re-paid; and
- (b) the proceeds generated by the sale of certain Schedule B Properties.

[6] Pursuant to the order appointing the Manager, the Manager was granted a super-priority charge to secure its costs and fees. However, after the order was granted, a number of mortgagees objected to the priority of the Manager's charge. Following negotiations between these mortgagees, the applicants and the Manager, consent orders dated December 24, 2013, January 6, 2014 and January 20, 2014 were made which, among other things, provided that the Manager's charge would be subordinate to prior ranking security on the properties involved.

[7] The Manager's position is that given the number of companies subject to these proceedings and the interconnectedness of the Schedule B and C Companies and their respective properties, it would have been impractical and very expensive to track fees separately for each of the properties. To allocate the fees to each individual company, the Manager has proposed that the fees paid and those to be paid in these proceedings be allocated to the Schedule B Companies, the Schedule C Properties and the Front Street Property based on the Fee Allocation Methodology. The Fee Allocation Methodology calculates a weighting for each Company, based upon a series of categories that, taken together, constitute a proxy for the effort and involvement of the Manager and its counsel with the various Properties.

2. The Fee Allocation Methodology includes the following six separate categories:

- (a) Active Property Management (40%) – relates to the initial engagement of the Manager, accounting and analysis, operational management, financing,

development of a marketing plan, and all other aspects of managing the property (other than the sales process);

- (b) Negotiated Agreements of Purchase and Sale (10%) – relates to the negotiation of agreements of purchase and sale that advance to the due diligence stage, whether or not they are completed;
- (c) Legal Complexity (25%) – relates to the level of legal work involved, including the complexity of real estate transactions, sale approval motions and other litigation;
- (d) Claims Process (10%) – relates to the level of effort involved with respect to conducting a claims process for a particular property, where applicable;
- (e) Manager Interaction with Stakeholders (10%) – relates to properties carved out where key stakeholders, including mortgagees, tenants and/or shareholders, of such Properties required regular reporting; and
- (f) Property Value (5%) – relates to an adjustment reflecting the relative property value of a particular Property.

[8] The Fee Allocation Methodology assigns a value to each of the above categories on a scale of 1 to 3 (with 1 being little, 2 being moderate, and 3 being complex or high) for each property to reflect the amount of time and effort the Manager and/or its counsel expended for the applicable Property in respect of each such category, other than the “Property Value” category which would be assigned a value on a scale of 1 to 3 based on the value of the applicable property (with 1 applying to property values less than \$5 million, 2 applying for property values between \$5 million and \$10 million, and 3 applying for property values greater than \$10 million).

[9] The other factor affecting the total amount of an allocation to a property is the period of time that is applied to it.

[10] The applicants support the requests of the Manager. Mr. Wallach, who acts for mortgagees of ten properties, also supports these requests.

[11] The Dupont mortgagees oppose the approval of the Manager's fees and disbursements and also oppose the Fee Allocation Methodology. They say the accounts do not separate out the work done on each property, and therefore they are unable to know exactly what amount of time was spent by the Manager or its solicitors on the Dupont property. They also take the position that the Manager has overstated the extent of the work required and carried out on the Dupont property by the values of 2 or 3 ascribed to the various categories in the Fee Allocation Methodology. They also contend that even if the fees and the Fee Allocation Methodology are approved, the charges should be allocated in some marshalling fashion so that the properties without any encumbrances should bear the Manager's fees and disbursements.

[12] The Cityview lien claimants do not oppose the overall fees and disbursements of the Manager but say that the values used by the Manager for the various categories are too high in some cases and that there has been duplication in the way that work is referred to in more than one category. They also take the position that the Manager should not be able to charge any of its fees and disbursements to a trust fund created by court order that replaced the claims for liens on the Cityview properties.

Analysis

[13] Allocating expenses to separate properties involved in a financial meltdown is no easy matter. Recently, in *Royal Bank of Canada v. Atlas Block Co.*, 2014 ONSC 1531 at para. 43 (Comm. List), a case in which some of the costs of a receivership had to be shared between two mortgagees involving more than one property, Brown J. (as he then was) reviewed the authorities and summarized them. He stated:

34. As to the allocation of the fees, the general principles governing the allocation of receiver's costs can be briefly stated:

(i) The allocation of such costs must be done on a case-by-case basis and involves an exercise of discretion by a receiver or trustee;

(ii) Costs should be allocated in a fair and equitable manner, one which does not readjust the priorities between creditors, and one which does not ignore the benefit or detriment to any creditor;

(iii) A strict accounting to allocate such costs is neither necessary nor desirable in all cases. To require a receiver to calculate and determine an absolutely fair value for its services for one group of assets vis-à-vis another likely would not be cost-effective and would drive up the overall cost of the receivership;

(iv) A creditor need not benefit "directly" before the costs of an insolvency proceeding can be allocated against that creditor's recovery;

(v) An allocation does not require a strict cost/benefit analysis or that the costs be borne equally or on a pro rata basis;

(vi) Where an allocation appears prima facie as fair, the onus falls on an opposing creditor to satisfy the court that the proposed allocation is unfair or prejudicial.

[14] In *Hunjan International Inc., Re*, (2006), 21 C.B.R. (5th) 276, C.L. Campbell J. made an apt statement of how creditors will look at allocations from their own perspective. He stated:

71 I am mindful that each creditor from its own particular perspective will have a view of what is or is not fair in terms of allocation. There is unlikely to be one specific method that can objectively point to absolute fairness to all parties. The exercise is inevitably one of viewpoint for the creditor and exercise of discretion for the Court.

[15] Ms. Corne for the Dupont mortgagees relies on a statement in *Confectionately Yours Inc., Re* (2002), 36 C.B.R. (4th) 200 (Ont. C.A.) of Borins J.A., particularly the last part of his statement in discussing the accounts of a receiver:

37 As for the procedure that applies to the passing of the accounts, Bennett indicates at p. 460 that there is no prescribed process. Nonetheless, the case law provides some requirements for the substance or content of the accounts. The accounts must disclose in detail the name of each person who rendered services, the dates on which the services were rendered, the time expended each day, the rate charged and the total charges for each of the categories of services rendered. See, e.g., *Hermanns v. Ingle* (1988), 68 C.B.R. (N.S.) 15 (Ont. Ass. Off.); *Toronto*

Dominion Bank v. Park Foods Ltd. (1986), 77 N.S.R. (2d) 202 (S.C.). The accounts should be in a form that can be easily understood by those affected by the receivership (or by the judicial officer required to assess the accounts) so that such person can determine the amount of time spent by the receiver's employees (and others that the receiver may have hired) in respect to the various discrete aspects of the receivership.

[16] I do not think this statement is very helpful to our situation. It was a general statement in a case in which the receiver was dealing with one business. The Manager in this case was dealing with approximately 40 companies and different properties and facing issues common to them all, such a co-mingling of funds and tracing funds through different accounts.

[17] I agree with the Manager that it would have been extremely costly and time consuming, and somewhat artificial, to keep dockets as suggested by Ms. Corne. As an example, spending time tracing money affected all of the properties, and it would not have been possible to apportion such time in any meaningful or accurate way. Docket entries refer to lawyers who have described in block form several different things done on any particular day, some of which refer to the Dupont property in some way. Only the total time spent by the lawyer for that day is contained in the docket entry. For all of the lawyers and professionals in the Manager's office to take the time each day to separate out the time for each task recorded, even if it could have been done, would have involved enormous time and expense.

[18] Ms. Corne for the Dupont mortgagees relies on the recent case of *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851 involving the receiver of a cattle farm, in which Justice Pepall was critical of the amount of time spent by counsel for the receiver. Pepall J.A. made statements that spoke to the necessity of not being slavish to hourly rates and hours docketed. She stated:

45 In my view, it is not for the court to tell lawyers and law firms how to bill. That said, in proceedings supervised by the court and particularly where the court is asked to give its *imprimatur* to the legal fees requested for counsel by its court officer, the court must ensure that the compensation sought is indeed fair and reasonable. In making this assessment, all the *Belyea* factors, including time spent, should be considered. However, value provided should pre-dominate over the mathematical calculation reflected in the hours times hourly rate equation. Ideally, the two should be synonymous, but that should not be the starting

assumption. Thus, the factors identified in Belyea require a consideration of the overall value contributed by the receiver's counsel. The focus of the fair and reasonable assessment should be on what was accomplished, not on how much time it took. Of course, the measurement of accomplishment may include consideration of complications and difficulties encountered in the receivership.

[19] Ms. Corne says that because of the way in which the Manager and its solicitors kept dockets, it is not possible to know exactly what time was spent on the Dupont properties and therefore not possible to know if the principles espoused by Pepall J.A. have been met. I disagree. It is possible to measure what has been accomplished and no one has suggested the Manager or its counsel spent too much time on all of the various things that have had to be done or that their rates are too high. What the Dupont mortgagees complain of is that the form of the accounts does not permit one to identify how much time was spent at any one time on the Dupont property and issues arising that affected the property. That is the situation that governs whenever an allocation of expenses needs to be made.

[20] I also agree with the Manager that it is too late for the Dupont mortgagees to now complain about the form of the dockets kept by the Manager and its counsel. The Dupont mortgagees were aware of these proceedings from the outset. They retained their counsel in April, 2014. Accounts of the Manager and its counsel in the same form as the accounts now before the court were approved by Wilton-Siegel J. on April 25, 2014 and by Brown J. on June 18, 2014. Counsel for the Dupont mortgagees did not object to these accounts. The first complaint by the Dupont mortgagees to the accounts came in a letter from Ms. Corne on December 9, 2014 when she asked for a breakdown from dockets that contained blocks of time for work done on a variety of properties or the time spent on the Dupont property. On December 14, 2014 Mr. Dunn replied that the Manager was of the view that a strict accounting to allocate time among the assets of the receivership would not be cost-effective and would drive up the overall cost of the proceeding, and that the proposed method of allocating the costs was fair.

[21] To recount here everything that the Manager and its counsel have done for the period for which approval of their accounts is sought would be time consuming indeed. I am quite satisfied that what is charged is fair and reasonable. It is one of those situations described by Pepall J.A.

in *Diemer* in which the docketed charges are synonymous with what is a fair and reasonable charge. The accounts are approved.

[22] The Dupont mortgagees are critical of the way that the Fee Allocation Methodology has been applied to the Dupont property. Reliance is placed on an affidavit of Mr. Jack Brudner. Millwood Management Limited administered the mortgages on the Dupont property on behalf of the Dupont mortgagees and Mr. Brudner is the manager of Millwood. He was a solicitor until his retirement in January 2010. His affidavit was filed to support an argument that the Manager was incompetent, did things that were not required and failed to do things that should have been done.

[23] I am afraid I place little reliance on Mr. Brudner's evidence. It is for the most part hearsay and involves assertions with little or no evidence to support the assertions. For example, Mr. Brudner asserted that there was no reason for the Manager to undertake most of the repairs to the property that were made, and he said that "To the best of my knowledge, without inquiry, all of the rented premises were code compliant." This is no cogent evidence. The Manager in his supplemental report made in response to Mr. Brudner's affidavit provided details of what was required and why. In that supplemental report, the Manager disputed substantially all of Mr. Brudner's allegations and provided details on many of them that indicated that Mr. Brudner's affidavit was unreliable. I accept the supplemental report of the Manager and do not accept Mr. Brudner's assertions.

[24] The Cityview lien claimants are also critical of the way that the Fee Allocation Methodology has been applied to the Cityview properties. There was one Cityview property in the process of being severed when the Manager was appointed and after the severance was completed, the two separate Cityview parcels were sold by the Manager.

[25] The first complaint of the Cityview lien claimants is that that there is "little or no evidence as to the actual time spent...on account of the Cityview Property." This is a reference to the fact that neither the Manager nor its counsel tracked its time separately for each property. This is the same complaint made by the Dupont mortgagees, which I have previously discussed and not accepted. Further, the Manager's docketing practices have been consistent throughout

this mandate and have been approved several times. The Cityview lien claimants have not objected to any of the Manager's prior fee approval motions despite the fact that time was not broken out by property. As with the Dupont mortgagees, I think that the time to challenge the Manager's docketing practices has passed.

[26] In his factum, Mr. Copelovici contended that the Fee Allocation Methodology is arbitrary and not capable of being reviewed. However in argument, he said that his clients do not see any flaw in the Fee Allocation Methodology but their complaint is in the weighting given to the Cityview properties. In any event, I do not agree that the Fee Allocation Methodology is arbitrary or incapable of being reviewed. The various categories and the different levels of value that can be applied to each category are logical and appear to make sense having regard to the various tasks that the Manager has had to undertake. I agree that when one looks at the details of how the amounts are ascribed to each property, it is somewhat complicated, but it is comprehensible and understandable.

[27] Part of the argument of the Cityview lien claimants is that work ascribed to Active Property Management, being 40% of the weighting, is also ascribed to Negotiating Agreements of Purchase and Sale having a 10% weighting, and thus there is "overlap". I do not accept that. The example given of difficulties with a tenant involved property management issues to be sure, but it also complicated the sales process. The same can be said with respect to complaints about "overlapping" involving severance issues and legal complexity. Much of the complaints involve speculation, although counsel for the Cityview lien claimants cross-examined the Manager and undertook written interrogatories. I do not accept that any cogent argument supported by evidence has been made to criticize the way in which the Fee Allocation Methodology has been applied to the Cityview properties.

[28] Each case is different. This case involves unusual complexity involving the Manager's responsibility for 31 Schedule B properties and several Schedule C properties, all of which were improperly run by the Waltons before the Manager was appointed. The Manager's task was made no easier by challenges raised from the beginning to the end. I accept that the Fee Allocation Methodology in this case allocates costs in a fair and equitable manner and that the discretion of the Manager has been exercised fairly. The fact that one or more interested parties

is unhappy with the allocation is perhaps understandable but no basis in this case to change what the Manager has proposed to allocate the costs.

[29] The Dupont mortgagees have argued that if the Fee Allocation Methodology is upheld, the costs should be allocated in accordance with principles of marshalling. Ms. Corne asserts that as the Manager has a charge against all properties and her clients have a charge against only the Dupont property, the Manager should allocate the costs and recover from those properties for which there are no other encumbrances after paying out the prior mortgagees. I do not accept this argument.

[30] Ms. Corne relies on the doctrine of marshalling as discussed in *Snell's Equity*, 32nd ed. which states that where there are two creditors of the same debtor, one creditor having a right to resort to two funds of the debtor for payment of his debt and the other creditor having a right to resort to one fund only, the court will "marshal", that is to say arrange the funds so that both creditors are paid as far as possible. However, I do not think it can be said that the Manager is a creditor of the Dupont property owner. The Manager is a court appointed officer with a charge for its fees, which are to be approved by the Court. Even if the Manager could be considered a creditor, it would not be a creditor in the sense involved in the doctrine of marshalling, which involves a pre-existing secured creditor of a debtor against whom there are other pre-existing secured creditors. As pointed out in *Snell's Equity*, the doctrine cannot be applied against a purchaser of one of the properties, which is a recognition that the doctrine applies only to two secured creditors existing at the time of the insolvency.

[31] Moreover, the doctrine of marshalling applies to security granted by one debtor to two creditors, one of whom has been granted more than one parcel by that debtor as security. Here the effect of what the Dupont mortgagees seek would be to cause the pooling of funds of other debtors, not the Dupont property owner. That would not be marshalling. Moreover, it would be unfair to the equity holder of those properties in which there has ended up being equity, being Dr. Bernstein. It would not be a fair and reasonable allocation of costs, as properties in which there is no equity, such as the Dupont property, would bear none of the costs of the Manager, even though these properties with no equity have required the intervention of the Manager and its counsel.

[32] The Cityview lien claimants claim that the Manager has no right to the funds that remain after the two Cityview properties were sold, the effect of which would be to provide them with priority over the Manager's charge. I do not accept this contention of the Cityview lien claimants.

[33] The November 5, 2013 order appointing the Manager provided for two super-priority charges to secure the Manager's fees and disbursements, the fees and disbursements of the Manager's counsel and amounts borrowed to fund the operation of the Schedule "B" Companies. The Cityview lien claimants contend that there was no authority for the Court to make such an order in light of provisions of 77 of the *Construction Lien Act* which provides that liens "have priority over all judgments, executions, assignments, attachments, garnishments and receiving orders except those executed or recovered upon before the time when the first lien arose". In this case the liens arose before the appointment of the Manager. Reliance is placed on *Baxter Student Housing Ltd. v. College Housing Cooperative Ltd.* (1976) 2 S.C.R. 475 which held that an order appointing a receiver and providing priority to money paid to the receiver over "any and all other charges or encumbrances... affecting the lands" was invalidly made as it conflicted with rights of lien holders under the Manitoba *Construction Lien Act*.

[34] The Manager's charge was granted in the order of November 5, 2013 appointing the Manager. It provided that the Manager's fees and disbursements and those of its counsel "shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise". The Cityview lien claimants were notified of the Manager's appointment by letter dated November 28, 2013, which also specifically stated that the November 5 order provided for "charges that rank ahead of pre-existing security interests in the [Schedule "B" Companies] property." The Cityview lien claimants took no steps to vary or set aside the November 5, 2013 order, or challenge the Court's jurisdiction to grant priority to the Manager's charges at any time. Their argument was first made in their factum dated April 8, 2015.

[35] Rule 37.14(1) provides that a party affected by an order obtained on motion without notice may move to set it aside or vary it by a motion "that is served forthwith after the order

comes to the person's attention and names the first available hearing date that is at least three days after the service of the notice of motion". As the November 5, 2013 order was received by the Cityview lien claimants by early December, 2013, any motion to vary it was required to be served "forthwith" thereafter. I dealt with this earlier in a similar motion by the Dupont mortgagees and my comments there are equally applicable to the Cityview lien claimants. See *DBDC Spadina Ltd. v. Walton*, 2015 ONSC 870 in which I stated:

15 In *Muscletech Research and Development Inc. (Re)* (2006), 19 C.B.R. (5th) 54 in discussing a comeback motion relating to a CCAA Initial Order, Farley J. stated "Comeback relief, however, cannot prejudicially affect the position of parties who have relied *bona fide* on the previous order in question." I agree entirely with that statement and in my view it is equally applicable to a motion to vary a receivership order, which is essentially what the November 5, 2013 order was, the word Manager instead of Receiver being used in an attempt to put a better face on the order to the marketplace.

16 The same reasoning underlies the dictates of rule 37.14 that requires a motion to vary to be brought "forthwith" after the affected party learns of the rule. A court can vary the strict provisions of the rule in appropriate circumstances, but should be loath to do so if in the interval persons relying on the order would be materially prejudiced.

[36] In this case, the Cityview lien claimants knew that the Manager's charge ranked ahead of their liens. They knew that the Manager and its counsel were working to maximize the value of the Cityview property. The Manager also borrowed funds that were required to complete the severance of the Cityview property, which added value for the benefit of all stakeholders, including the Cityview lien claimants. Knowing all of this, the Cityview lien claimants did nothing to challenge the Manager's fees until the Manager's mandate with respect to the Cityview Property was essentially complete. It would not be equitable for the Cityview lien claimants to now challenge the Manager's charges at this late date.

[37] Moreover, when 9-11 Cityview was sold, it was approved by two orders of Justice Spence dated February 21, 2014. The Cityview lien claimants consented to the February 21 orders on the condition that amounts sufficient to satisfy the Cityview liens were held back from the sale proceeds pending further order of the Court. A total of \$969,583.99 was ordered to be held in trust. There is now some \$805,000 left.

[38] The orders of Justice Spence provided that all encumbrances against the lands to be sold were to be lifted and that the net proceeds of the sale were to be held in trust by the Manager pending further order of the Court and that all encumbrances, which included the Manager's charges, would attach to the net proceeds from the sale "with the same priority as they had with respect to the [lands sold] immediately prior to the sale...". Thus the orders consented to by the Cityview lien claimants provided for the same priorities as prior to the sale. Those priorities included the Manager's charges under the November 5, 2013 order appointing the Manager.

[39] The Cityview lien claimants also argue that if their position opposing the Fee Allocation Methodology is not accepted, an order should be made that the Manager's fees with respect to the Cityview property should be paid on a proportionate basis by all creditors regardless of priority. If that argument were accepted, it would mean that the bulk of the costs would come out of the pocket of the mortgagee of the Cityview property, being a Dr. Bernstein company. I do not accept this contention.

[40] Dr. Bernstein's corporation had two mortgages on the Cityview property. There was a dispute between the Cityview lien claimants and the mortgagee as to the priorities for payment from the trust funds held following the sale of the Cityview property. In a settlement agreement of October 15, 2014, between the mortgagee and the Cityview lien claimants, the parties agreed on the priorities of the Bernstein first and second mortgages and the lien claims. The minutes of settlement resolved the priorities as follows:

- (a) The parties agreed that the first mortgage had priority in its entirety over any interests that the Cityview lien claimants may assert in the surplus sale proceeds;
- (b) The parties agreed that the second mortgage, less \$20,000, had priority over any interests that the Cityview lien claimants may assert in the surplus sale proceeds. It was also agreed that the Cityview lien claimants' claims would have priority over the final \$20,000 of the second mortgage.

[41] The settlement agreement resolved issues between the Bernstein mortgagees and the Cityview lien claimants as to the right to the funds held in trust. What the Cityview lien

claimants now seek in requesting the Manager's fees be split in a proportionate basis would be contrary to the settlement agreement.

Conclusion

[42] The fees and disbursements of the Manager and its counsel for the period sought are approved.

[43] The Fee Allocation Methodology is also approved.

A handwritten signature in black ink, appearing to read "Andrew J.", is written over a horizontal line.

Newbould J.

Date: April 20, 2015

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



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE NEWBOULD

)
)
)

MONDAY, THE 20th
DAY OF APRIL , 2015

BETWEEN:

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

ORDER

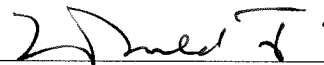
(Approval of fees from May 28, 2014 to November 30, 2014 and approval of Fee Allocation Methodology)

THIS MOTION, made by Schonfeld Inc. in its capacity as the manager (the “**Manager**”) appointed pursuant to the Order of Justice Newbould dated November 5, 2013 (the “**November 5 Order**”) for an Order, *inter alia*, approving the Manager’s fees and disbursements, the fees and disbursements of the Manager’s counsel and the methodology for allocating the fees among the assets that are subject to the Manager’s mandate (the “**Fee Allocation Methodology**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twenty-Second Report dated December 3, 2014 (the “**Report**”) of the Manager, the Supplemental Report to the Twenty-Second Report of the Manager dated December 16, 2014 (the “**Supplemental Report**”), the Fifth Supplemental Report to the Twenty-Second Report of the Manager dated February 2, 2014 (the “**Fifth Supplemental Report**”), the Affidavit of Brian Empey sworn December 8, 2014, the Affidavit of Harlan Schonfeld sworn December 5, 2014, the Consolidated Motion Record of the Manager dated February 3, 2015 (the “**Consolidated Motion Record**”), the Supplementary Motion Record of the Manager dated April 15, 2015 (the “**Supplementary Motion Record**”), the Affidavit of Elyse Nobert sworn April 15, 2015, the Affidavit of Jack Brudner affirmed January 22, 2015, the Mortgagees’ Responding Motion Record dated January 23, 2015, Fox Contracting Inc. et al.’s Responding Motion Record dated April 8, 2015, the Affidavit of Robert Lorion sworn March 30, 2015 and on hearing the submissions of counsel for the Manager, the Applicants, Florence Leaseholds Limited, Beatrice Limited and Ada Leaseholds Limited, Laser Heating and Fox Contracting Ltd. and the Handelman Group, no one appearing for any other person on the service list:

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Consolidated Motion Record and Supplementary Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that capitalized terms used but not defined in this Order shall have the meaning given to such terms in the Report, the Supplemental Report, and the Fifth Supplemental Report as applicable.
3. THIS COURT ORDERS that the fees and disbursements of the Manager for the period June 1, 2014 to November 30, 2014, in the amount of \$893,711.06 including HST and the fees and disbursements of the Manager’s counsel, Goodmans LLP, for the period May 28, 2014 to November 30, 2014, in the amount of \$816,575.42 including HST, are hereby approved.
4. THIS COURT ORDERS that the Fee Allocation Methodology proposed by the Manager described in the Twenty-Second Report of the Manager and the supplements thereto in respect of the fees and costs of the Manager and its counsel, Goodmans LLP, applicable to the Schedule B Companies and Schedule C Properties is hereby approved.

5. THIS COURT ORDERS that the allocation to each of the Schedule B Companies and the Schedule B Properties with respect to the period up to November 30, 2014 shall be as set out in Appendix "A" to this Order.



ENTERED AT / INSCRIT A TORONTO

ON / BOOK NO:

LE / DANS LE REGISTRE NO.:

MAY 27 2015



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.

Schedule B Companies and Schedule C Properties
Fee Allocation and Funding Repayment Schedule
to November 30, 2014

Company	Active Property Management 40%	Negotiated APS 10%	Legal Complexity 25%	Claims Process 10%	Manager Interaction w Stakeholders 10%	Property Value 5%	Weighting	Initial Relative Weighting 100%	Final Date of Control	Method of Disposition	Final Allocation Date
SCHEDULE B COMPANIES											
Ascalon	1	0	1	1	2	1	0.8	1.2%	1-Apr-14	RtMwS	30-Jun-14
Bannockburn	1	1	1	1	2	3	1.0	1.5%	1-Jul-14	RtMnS	31-Jul-14
Cityview	3	3	3	2	1	2	2.6	3.8%	29-Aug-14	SMnS	28-Sep-14
Dewhurst	1	1	1	1	2	1	0.9	1.3%	1-Jul-14	RtMnS	31-Jul-14
Donalda	3	3	2	1	3	3	2.3	3.3%	16-Jun-14	SMwS	14-Sep-14
Double Rose	3	3	3	0	3	2	2.4	3.5%	15-Oct-14	SMnS	14-Nov-14
Dupont	3	3	3	0	3	2	2.4	3.5%	9-Oct-14	RtMnS	8-Nov-14
Eddystone	1	2	1	0	2	1	0.9	1.3%	17-Sep-14	RtMnS	17-Oct-14
Fraser Lands	2	0	2	0	2	1	1.4	2.0%	1-Apr-14	RtMnS	1-May-14
Fraser Properties	2	0	2	0	2	3	1.5	2.1%	1-Apr-14	RtMnS	1-May-14
Global Mills	1	0	2	0	2	3	1.1	1.6%	10-Apr-14	RtMnS	10-May-14
Hidden Gem	3	3	1	3	2	1	2.1	3.1%	26-Jun-14	SMwS	24-Sep-14
Lesliebrook Holdings	2	2	2	2	3	2	1.8	2.7%	23-Apr-14	SMwS	22-Jul-14
Lesliebrook Lands	0	0	0	0	0	0	0.0	0.0%	30-Sep-13		30-Sep-13
Liberty Village Lands	1	2	1	0	1	1	0.9	1.3%	2-Apr-14	SMwS	1-Jul-14
Liberty Village Properties	2	2	1	2	3	3	1.6	2.4%	2-Apr-14	SMwS	1-Jul-14
Northern Dancer	1	1	2	1	2	1	1.2	1.7%	1-Apr-14	SMwS	30-Jun-14
Queen's Corner	2	2	2	0	1	1	1.6	2.3%	24-Jun-14	SMnS	24-Jul-14
Red Door Developments	2	3	3	0	3	2	2.0	2.9%	17-Jul-14	SMnS	16-Aug-14
Red Door Lands	2	3	3	0	3	1	1.9	2.8%	17-Jul-14	SMnS	16-Aug-14
Richmond Row/165 Bathurst	2	3	2	2	3	3	2.0	2.9%	22-Sep-14	SMwS	21-Dec-14
Riverdale Mansion	1	2	2	0	1	1	1.2	1.7%	1-May-14	SMnS	31-May-14
Royal Agincourt	3	3	1	2	3	3	2.1	3.1%	22-Apr-14	SMwS	21-Jul-14
Royal Gate Holdings	3	3	1	3	3	3	2.2	3.3%	23-Jun-14	SMwS	21-Sep-14
Salmon River Properties	0	0	1	0	1	1	0.3	0.4%	19-Dec-14	SMnS	18-Jan-15
Skyway	2	3	2	2	1	1	1.9	2.7%	20-Aug-14	SMwS	18-Nov-14
Tisdale	1	2	3	2	2	2	1.3	1.9%	12-May-14	SMwS	10-Aug-14
Twin Dragons	3	2	3	3	3	3	2.6	3.9%	2-Apr-14	SMwS	1-Jul-14
West Mall	3	3	2	0	3	3	2.2	3.2%	15-Dec-14	SMnS	14-Jan-15
Weston Lands	1	2	1	2	1	2	1.2	1.7%	24-Dec-14	SMwS	24-Mar-15
Wynford	2	0	2	0	3	2	1.4	2.1%	2-Apr-14	RtMnS	2-May-14
Total Schedule B											
SCHEDULE C PROPERTIES											
44 Park Lane Circle	2	0	3	0	2	3	1.7	2.5%	19-Dec-14	RtMnS	18-Jan-15
777 St. Clarens/260 Emerson	2	0	1	0	1	1	1.1	1.6%	7-Nov-14	RtMnS	7-Dec-14
66 Gerrard	3	2	1	1	2	2	1.9	2.7%	15-Oct-14	SMwS	13-Jan-15
324 Prince Edward	2	2	1	1	2	1	1.4	2.1%	23-Dec-14	SMnS	22-Jan-15
1 William Morgan	2	0	1	0	1	1	1.1	1.6%	1-Oct-14	RtMnS	31-Oct-14
3270 American Drive	0	0	1	1	2	1	0.8	1.2%	1-Oct-14	RtMnS	31-Oct-14
321 Carlaw	0	0	1	0	1	1	0.3	0.4%	1-Nov-14	RtMnS	1-Dec-14
346 Jarvis, Unit A	1	1	2	1	1	1	1.2	1.7%	15-Dec-14	SMwS	15-Mar-15
346 Jarvis, Unit B	1	1	2	1	1	1	1.2	1.7%	31-Dec-14	SMwS	31-Mar-15
346 Jarvis, Unit E	1	1	2	1	1	1	1.2	1.7%	20-Nov-14	RtMwS	18-Feb-15
346 Jarvis, Unit F	1	1	2	1	1	1	1.2	1.7%	31-Dec-14	SMwS	31-Mar-15
2454 Bayview	0	0	1	1	1	1	0.4	0.6%	1-Oct-14	RtMnS	31-Oct-14
30 Hazelton	0	0	1	1	0	1	0.4	0.6%	12-Aug-14	RtMwS	10-Nov-14
24 Cecil	2	2	1	3	3	1	1.6	2.4%	17-Oct-14	SMwS	15-Jan-15
2 Kelvin	2	1	1	0	1	1	1.2	1.8%	19-Dec-14	SMnS	18-Jan-15
0 Luttrell	0	1	1	0	0	1	0.4	0.6%	19-Dec-14	SMnS	18-Jan-15
Total Schedule C											
OTHER PROPERTIES											
65 Front St.	0	0	3	3	1	2	1.2	1.7%	1-Jun-14	CPDO	29-Sep-14
19 Tennis Crescent	0	0	1	0	0	0	0.3	0.4%	12-Aug-14	DisProp	11-Oct-14
646 Broadview	0	0	2	0	0	0	0.5	0.7%	12-Aug-14	DisProp	11-Oct-14
346 Jarvis, Unit C	0	0	2	0	0	0	0.5	0.7%	12-Aug-14	DisProp	11-Oct-14
252 Carlton/478 Parliament	0	0	1	0	0	0	0.3	0.4%	12-Aug-14	DisProp	11-Oct-14
Total Other Properties											
Total Fee Allocation							67.5	100.0%			

1	Low	Low	Low	Low	Low	< \$5M	SMwS	Add days: 90	Sold by Manager, surplus remaining
2	Moderate	Moderate	Moderate	Moderate	Moderate	\$5-10M	SMnS	Add days: 30	Sold by Manager, no surplus
3	Complex	Complex	Complex	Complex	Complex	\$10M +	RtMwS	Add days: 90	Returned to Mortgagee, surplus from sale
							RtMnS	Add days: 30	Returned to Mortgagee, no surplus from sale
							CPDO	Add days: 120	Claims process and distribution only
							DisProp	Add days: 60	Disputed property, to be reviewed

Schedule B Companies and Schedule C Properties
Fee Allocation and Funding Repayment Schedule
to November 30, 2014

Company	30-Nov-13	31-Dec-13	31-Jan-14	28-Feb-14	31-Mar-14	30-Apr-14	31-May-14	30-Jun-14
SCHEDULE B COMPANIES								
Ascalon	3,554.98	4,113.89	7,185.99	6,436.01	7,010.48	7,531.12	6,047.67	6,611.82
Bannockburn	4,443.72	5,142.37	8,982.49	8,045.02	8,763.11	9,413.90	7,559.58	8,264.78
Cityview	11,331.48	13,113.04	22,905.35	20,514.79	22,345.92	24,005.45	19,276.94	21,075.19
Dewhurst	3,999.35	4,628.13	8,084.24	7,240.52	7,886.80	8,472.51	6,803.63	7,438.30
Donalda	9,998.37	11,570.33	20,210.60	18,101.29	19,716.99	21,181.28	17,009.06	18,595.76
Double Rose	10,442.74	12,084.57	21,108.85	18,905.79	20,593.30	22,122.67	17,765.02	19,422.24
Dupont	10,442.74	12,084.57	21,108.85	18,905.79	20,593.30	22,122.67	17,765.02	19,422.24
Eddystone	3,999.35	4,628.13	8,084.24	7,240.52	7,886.80	8,472.51	6,803.63	7,438.30
Fraser Lands	5,999.02	6,942.20	12,126.36	10,860.77	11,830.19	12,708.77	329.21	0.00
Fraser Properties	6,443.39	7,456.43	13,024.61	11,665.27	12,706.50	13,650.16	353.59	0.00
Global Mills	4,665.90	5,399.49	9,431.61	8,447.27	9,201.26	9,884.60	2,560.50	0.00
Hidden Gem	9,331.81	10,798.97	18,863.23	16,894.54	18,402.52	19,769.19	15,875.13	17,356.04
Lesliebrook Holdings	7,998.69	9,256.26	16,168.48	14,481.03	15,773.59	16,945.02	13,607.25	14,876.61
Lesliebrook Lands	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liberty Village Lands	3,999.35	4,628.13	8,084.24	7,240.52	7,886.80	8,472.51	6,803.63	7,438.30
Liberty Village Properties	7,109.95	8,227.79	14,371.98	12,872.03	14,020.97	15,062.24	12,095.33	13,223.65
Northern Dancer	5,110.28	5,913.72	10,329.86	9,251.77	10,077.57	10,825.99	8,693.52	9,504.50
Queen's Corner	6,887.76	7,970.67	13,922.86	12,469.78	13,582.81	14,591.55	11,717.35	12,810.41
Red Door Developments	8,665.25	10,027.62	17,515.85	15,687.78	17,088.06	18,357.11	14,741.19	16,116.32
Red Door Lands	8,443.07	9,770.50	17,066.73	15,285.53	16,649.90	17,886.41	14,363.21	15,703.08
Richmond Row/165 Bathurst	8,665.25	10,027.62	17,515.85	15,687.78	17,088.06	18,357.11	14,741.19	16,116.32
Riverdale Mansion	5,110.28	5,913.72	10,329.86	9,251.77	10,077.57	10,825.99	8,693.52	0.00
Royal Agincourt	9,331.81	10,798.97	18,863.23	16,894.54	18,402.52	19,769.19	15,875.13	17,356.04
Royal Gate Holdings	9,776.18	11,313.21	19,761.48	17,699.04	19,278.83	20,710.58	16,631.08	18,182.52
Salmon River Properties	1,353.12	1,542.71	2,694.75	2,413.51	2,628.93	2,824.17	2,267.88	2,479.43
Skyway	8,220.88	9,513.38	16,617.60	14,883.28	16,211.75	17,415.72	13,985.23	15,289.84
Tisdale	5,554.65	6,427.96	11,228.11	10,056.27	10,953.88	11,767.38	9,449.48	10,330.98
Twin Dragons	11,553.67	13,370.16	23,354.47	20,917.04	22,784.07	24,476.14	19,654.92	21,488.43
West Mall	9,554.00	11,056.09	19,312.35	17,296.79	18,840.68	20,239.89	16,253.10	17,769.28
Weston Lane	5,110.28	5,913.72	10,329.86	9,251.77	10,077.57	10,825.99	8,693.52	9,504.50
Wynford	6,221.21	7,199.32	12,575.48	11,263.02	12,268.35	13,179.46	682.80	0.00
Total Schedule B	213,298.53	246,833.67	431,159.46	386,160.83	420,629.08	451,867.28	327,098.31	343,814.88
SCHEDULE C PROPERTIES								
44 Park Lane Circle								
777 St. Clarens/260 Emerson								
66 Gerrard								
324 Prince Edward								
1 William Morgan								
3270 American Drive								
321 Carlaw								
346 Jarvis, Unit A								
346 Jarvis, Unit B								
346 Jarvis, Unit E								
346 Jarvis, Unit F								
2454 Bayview								
30 Hazelton								
24 Cecil								
2 Kelvin								
0 Luttrell								
Total Schedule C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER PROPERTIES								
65 Front St.								9,504.50
19 Tennis Crescent								
646 Broadview								
346 Jarvis, Unit C								
252 Carlton/478 Parliament								
Total Other Properties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,504.50
Total Fee Allocation	\$ 213,298.53	\$ 246,833.67	\$ 431,159.46	\$ 386,160.83	\$ 420,629.08	\$ 451,867.28	\$ 327,098.31	\$ 353,319.38

Schedule B Companies and Schedule C Properties
Fee Allocation and Funding Repayment Schedule
to November 30, 2014

Company	31-Jul-14	31-Aug-14	30-Sep-14	31-Oct-14	30-Nov-14	31-Dec-14	Total Allocation of Professional Fees	Manager Funded	TOTAL Professional Fee Allocation + Funding
SCHEDULE B COMPANIES									
Ascalon	0.00	0.00	0.00	0.00	0.00	0.00	48,491.96	35,500.00	83,991.96
Bannockburn	7,563.02	0.00	0.00	0.00	0.00	0.00	68,177.99	178,500.00	246,677.99
Cityview	19,285.71	20,761.27	18,300.25	0.00	0.00	0.00	212,915.39	171,900.00	384,815.39
Dewhurst	6,806.72	0.00	0.00	0.00	0.00	0.00	61,360.20	54,800.00	116,160.20
Donalda	17,016.81	18,318.76	8,073.64	0.00	0.00	0.00	179,792.89	0.00	179,792.89
Double Rose	17,773.11	19,132.93	18,069.57	23,501.29	9,574.04	0.00	230,496.12	170,000.00	400,496.12
Dupont	17,773.11	19,132.93	18,069.57	23,501.29	5,470.88	0.00	226,392.96	215,000.00	441,392.96
Eddystone	6,806.72	7,327.51	6,920.26	4,935.76	0.00	0.00	80,543.73	78,500.00	159,043.73
Fraser Lands	0.00	0.00	0.00	0.00	0.00	0.00	60,796.52	0.00	60,796.52
Fraser Properties	0.00	0.00	0.00	0.00	0.00	0.00	65,299.95	61,000.00	126,299.95
Global Mills	0.00	0.00	0.00	0.00	0.00	0.00	49,590.63	0.00	49,590.63
Hidden Gem	15,882.35	17,097.51	12,917.82	0.00	0.00	0.00	173,189.11	0.00	173,189.11
Lesliebrook Holdings	9,661.15	0.00	0.00	0.00	0.00	0.00	118,768.08	0.00	118,768.08
Lesliebrook Lands	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liberty Village Lands	219.57	0.00	0.00	0.00	0.00	0.00	54,773.05	17,700.00	72,473.05
Liberty Village Properties	390.35	0.00	0.00	0.00	0.00	0.00	97,374.29	0.00	97,374.29
Northern Dancer	0.00	0.00	0.00	0.00	0.00	0.00	69,707.21	39,500.00	109,207.21
Queen's Corner	9,075.63	0.00	0.00	0.00	0.00	0.00	103,028.82	126,500.00	229,528.82
Red Door Developments	14,747.90	8,194.20	0.00	0.00	0.00	0.00	141,141.28	11,000.00	152,141.28
Red Door Lands	14,369.75	7,984.09	0.00	0.00	0.00	0.00	137,522.27	25,200.00	162,722.27
Richmond Row/165 Bathurst	14,747.90	15,876.26	14,993.90	19,501.07	17,023.75	0.00	200,342.06	0.00	200,342.06
Riverdale Mansion	0.00	0.00	0.00	0.00	0.00	0.00	60,202.71	66,800.00	127,002.71
Royal Agincourt	10,759.01	0.00	0.00	0.00	0.00	0.00	138,050.44	0.00	138,050.44
Royal Gate Holdings	16,638.65	17,911.68	11,841.34	0.00	0.00	0.00	179,744.59	0.00	179,744.59
Salmon River Properties	2,268.91	2,442.50	2,306.75	3,000.17	2,619.04	0.00	30,821.87	25,000.00	55,821.87
Skyway	13,991.60	15,062.10	14,224.98	18,501.02	9,690.44	0.00	183,607.82	144,000.00	327,607.82
Tisdale	9,453.78	3,282.93	0.00	0.00	0.00	0.00	88,505.42	0.00	88,505.42
Twin Dragons	634.32	0.00	0.00	0.00	0.00	0.00	158,233.22	0.00	158,233.22
West Mall	16,260.50	17,504.60	16,531.74	21,501.18	18,769.77	0.00	220,889.97	0.00	220,889.97
Weston Lands	8,697.48	9,362.92	8,842.56	11,500.63	10,039.65	0.00	118,150.45	153,000.00	271,150.45
Wynford	0.00	0.00	0.00	0.00	0.00	0.00	63,389.64	38,400.00	101,789.64
Total Schedule B	250,824.05	199,392.19	151,092.38	125,942.41	73,187.57	0.00	3,621,300.64	1,612,300.00	5,233,600.64
SCHEDULE C PROPERTIES									
44 Park Lane Circle		8,483.10	13,071.61	17,000.94	14,841.22	0.00	53,396.87		53,396.87
777 St. Clarens/260 Emerson		5,489.06	8,458.10	11,000.61	9,603.14	0.00	34,550.91	1,900.70	36,451.61
66 Gerrard		9,231.61	14,224.98	18,501.02	16,150.74	0.00	58,108.35	3,674.02	61,782.37
324 Prince Edward		6,986.08	10,764.85	14,000.77	12,222.18	0.00	43,973.88	2,227.01	46,200.89
1 William Morgan		5,489.06	8,458.10	11,000.61	0.00	0.00	24,947.77	2,645.36	27,593.13
3270 American Drive		3,992.05	6,151.34	8,000.44	0.00	0.00	18,143.83	3,540.09	21,683.92
321 Carlaw		1,497.02	2,306.75	3,000.17	2,619.04	0.00	9,422.98	338.52	9,761.50
346 Jarvis, Unit A		5,738.57	8,842.56	11,500.63	10,039.65	0.00	36,121.41	2,736.97	38,858.38
346 Jarvis, Unit B		5,738.57	8,842.56	11,500.63	10,039.65	0.00	36,121.41	2,736.97	38,858.38
346 Jarvis, Unit E		5,738.57	8,842.56	11,500.63	10,039.65	0.00	36,121.41	2,736.97	38,858.38
346 Jarvis, Unit F		5,738.57	8,842.56	11,500.63	10,039.65	0.00	36,121.41	2,736.97	38,858.38
2454 Bayview		1,996.02	3,075.67	4,000.22	0.00	0.00	9,071.91	3,557.98	12,629.89
30 Hazelton		1,996.02	3,075.67	4,000.22	1,164.02	0.00	10,235.93		10,235.93
24 Cecil		7,984.09	12,302.69	16,000.88	13,968.20	0.00	50,255.86	2,312.07	52,567.93
2 Kelvin		5,988.07	9,227.02	12,000.66	10,476.15	0.00	37,691.90	3,433.65	41,125.55
0 Luttrell		1,996.02	3,075.67	4,000.22	3,492.05	0.00	12,563.96	119.97	12,683.93
Total Schedule C	0.00	84,082.48	129,562.69	168,509.28	124,695.34	0.00	506,849.79	34,697.25	541,547.04
OTHER PROPERTIES									
65 Front St.	8,697.48	9,362.92	8,547.81	0.00	0.00	0.00	36,112.71		36,112.71
19 Tennis Crescent		1,247.51	1,922.30	887.15	0.00	0.00	4,056.96		4,056.96
646 Broadview		2,495.03	3,844.59	1,774.29	0.00	0.00	8,113.91		8,113.91
346 Jarvis, Unit C		2,495.03	3,844.59	1,774.29	0.00	0.00	8,113.91		8,113.91
252 Carlton/478 Parliament		1,247.51	1,922.30	887.15	0.00	0.00	4,056.96		4,056.96
Total Other Properties	8,697.48	16,848.00	20,081.59	5,322.88	0.00	0.00	60,454.45	0.00	60,454.45
Total Fee Allocation	\$ 259,521.53	\$ 300,322.67	\$ 300,736.66	\$ 299,774.57	\$ 197,882.91	\$ -	\$ 4,188,604.88	\$ 1,646,997.25	\$ 5,835,602.13

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 Ltd.
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. Royal Gate Nominee Inc.
29. Royal Gate (Land) Nominee Inc.
30. Dewhurst Development Ltd.
31. Eddystone Place Inc.
32. Richmond Row Holdings Ltd.

33. El-Ad (1500 Don Mills) Limited
 34. 165 Bathurst Inc.
-

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

DBDC SPADINA LTD. ET AL

and

NORMA WALTON ET AL

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

Applicants

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

ORDER

GOODMANS LLP

Barristers & Solicitors

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Toronto, Canada M5H 2S7

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Lawyers for the Manager

CITATION: DBCD Spadina Ltd et al v. Norma Walton et al, 2015 ONSC 870

COURT FILE NO.: CV-13-10280-00CL

DATE: 20150209

**SUPERIOR COURT OF JUSTICE – ONTARIO
COMMERCIAL LIST**

BETWEEN:

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 ON SCHEDULE B HERETO, TO BE
BOUND BY THE RESULT

BEFORE: Newbould J.

COUNSEL: *Mark Dunn and Michel Shneer*, for Schonfeld Inc., the Manager

Lisa Corne and Michael J. Brzezinski, for Florence Leaseholds Limited, Beatrice
Leaseholds Limited and Ada Leaseholds Limited

HEARD: February 4, 2015

ENDORSEMENT

[1] On November 5, 2013 Schonfeld Inc. was appointed the Manager of all of the real property owned by 32 companies listed in schedule B. These were real-estate development corporations which were joint ventures between Dr. Bernstein and his corporations listed in Schedule A and Norma and Ronauld Walton. Previously Schonfeld Inc. had been appointed an

Inspector of the schedule B corporations and it was evidence that came to light after that order that led to Schonfeld Inc. being appointed Manager.

[2] My reasons of November 5, 2013 set out fully the wrong doing of Norma Walton that led to the appointment of the Manager. Included in those reasons were that the Waltons had placed mortgages on some of the properties without the consent of Dr. Bernstein, had co-mingled funds from all of the projects contrary to the joint venture agreements through accounts of the Waltons' corporation Crown & Thistle Group Limited and had improperly taken funds invested by Dr. Bernstein for the joint ventures for their personal use.

[3] The November 5, 2013 order appointing the Manager stayed proceedings against the properties and granted (i) a Manager's charge for the fees and disbursements of the Manager and its counsel, to rank as the first charge on the properties in priority to any other charges on the properties and (ii) a Manager's borrowing charge that ranked subordinate to the Manager's charge but in priority to all other charges on the properties (together the "Manager's charges"). The intention of the Manager was to sell the properties and 21 properties have been sold.

[4] The Manager has moved for approval of its fees and disbursements and for approval of a methodology for the allocation of the Manager's fees and disbursements among the schedule B corporations¹.

[5] One of the schedule B corporations is Dupont Developments Limited which owns property at 1485 Dupont Street in Toronto. Florence Leaseholds Limited, Beatrice Leaseholds Limited and Ada Leaseholds Limited hold a first mortgage on the Dupont property ("the Dupont mortgagees"). The Dupont mortgagees now move for an order amending the November 5, 2013 order to provide that the Manager's charges rank behind their mortgage and to dismiss the Manager's motion for allocation of part of its fees and disbursements to the Dupont property.

¹ The Manager also seeks to allocate some of its fees and disbursements to the Schedule C properties.

[6] The Manager takes the position that the Dupont mortgagees are too late to now attempt to have their mortgage rank prior to the Manager's charges. For the reasons that follow, I agree with the Manager.

[7] The motion to appoint the Manager was not made on notice to the mortgagees of the various properties. Once the order was served on the mortgagees, some of them took the position that they wanted to take control of the properties under their mortgage and conduct sale proceedings, and consent orders were made discharging the Manager for those properties and terminating the stay of proceedings against them.

[8] Millwood Management Limited administers the mortgages on the Dupont property on behalf of the Dupont mortgagees. Mr. Jack Brudner is the manager of Millwood. He was a solicitor until his retirement in January 2010. The November 5, 2013 order appointing the Manager and creating the Manager's charges was received by Millwood on November 22, 2013 with a letter from Goodmans LLP, the solicitors for the Manager, that referred to the paragraphs of the order granting charges and stated they ranked ahead of pre-existing security interests in the properties².

[9] Mr. Brudner had discussions with Mr. Schonfeld in early February, 2014 during which he said the Dupont mortgagees wished to take power of sale proceedings. The position of the Manager with all mortgagees of properties that wished to act under their mortgages was that they were entitled to orders permitting that so long as the Manager was discharged from all responsibilities for the particular property, and as stated, consent orders were made in several instances to achieve that. However, as will be seen, Mr. Brudner did not want the manager to be discharged from responsibilities for the Dupont property.

² In his affidavit of January 22, 2015, Mr. Brudner swore that the November 5, 2013 order was not enclosed with the Goodmans letter. I do not accept that assertion. Mr. Brudner swore in his affidavit of May 14, 2014 that the November 5, 2013 order was enclosed with the letter.

[10] On April 14, 2014 Dickinson Wright, the solicitors for the mortgagees, wrote to Goodmans, the solicitors for the Manager, and said that the Dupont mortgagees intended to bring a motion to lift the stay of proceedings ordered in the November 5, 2013 order and to subordinate the Manager's charges to their mortgage. Mr. Brudner states in his affidavit that negotiations then began between the solicitors but that the Dupont mortgagees had no interest in taking possession of the Dupont property and sought to have the property remain under the Manager's administration while the mortgage was enforced by the Dupont mortgagees. The Manager understandably refused to agree to those terms.

[11] The Dupont mortgagees then served a notice of motion dated May 21, 2014 returnable June 16, 2014 requesting an order to amend or vary the November 5, 2013 order by lifting the stay of proceedings, subordinating the Manager's charges to their mortgage or alternatively excluding the Dupont property from the November 5, 2013 order. In response to the motion, the Manager brought a cross-motion to be relieved of its obligations for the control and management of the Dupont property.

[12] Before these motions were to be heard, the Manager entered into an agreement to sell the Dupont property for \$9 million. There was a 75 day due diligence period and a further 30 day closing period. Mr. Brudner stated in his affidavit "In order to allow the June APS to play itself out" the Dupont mortgagees agreed to adjourn their motion to lift the stay pending the due diligence period. After that period the purchaser elected not to close the deal.

[13] The motions of the mortgagees and of the Manager were brought on for hearing on October 9, 2014. The Manager did not oppose the order lifting the stay of proceedings in the November 5, 2013 order to permit the mortgagees to enforce their security and the order also discharged the Manager from all responsibilities with respect to the Dupont property.

[14] Rule 37.14(1) provides that a party affected by an order obtained on motion without notice may move to set it aside or vary it by a motion "that is served forthwith after the order comes to the person's attention and names the first available hearing date that is at least three days after the service of the notice of motion". As the November 5, 2013 order was received by Mr. Brudner on November 22, 2013, any motion to vary it was required to be served "forthwith"

thereafter. No such motion was served for six months and it was not brought on for hearing for another five months. Counsel for the mortgagees concedes rule 37.14 is a problem but one that can be overcome by particular case law, which I shall deal with shortly.

[15] In *Muscletech Research and Development Inc. (Re)* (2006), 19 C.B.R. (5th) 54 in discussing a comeback motion relating to a CCAA Initial Order, Farley J. stated “Comeback relief, however, cannot prejudicially affect the position of parties who have relied *bona fide* on the previous order in question.” I agree entirely with that statement and in my view it is equally applicable to a motion to vary a receivership order, which is essentially what the November 5, 2013 order was, the word Manager instead of Receiver being used in an attempt to put a better face on the order to the marketplace.

[16] The same reasoning underlies the dictates of rule 37.14 that requires a motion to vary to be brought “forthwith” after the affected party learns of the rule. A court can vary the strict provisions of the rule in appropriate circumstances, but should be loath to do so if in the interval persons relying on the order would be materially prejudiced.

[17] In this case, Mr. Brudner knew that the Manager was spending time and money on the Dupont property to preserve it and to attempt to sell it. He nevertheless admittedly wanted the property to remain under the Manager’s administration. To sit back and let that happen and now afterwards contend that the Manager’s charges should be subordinate to the Dupont mortgage and the Manager should not be allowed to allocate part of its fees and disbursements to the Dupont property would not be equitable or fair to the Manager and to the other stakeholders. They would be prejudiced.

[18] The Dupont mortgagees could at any time have had the Dupont property carved out of the November 5, 2013 order, as other mortgagees of other properties had done, but chose not to do so because it wanted the Manager to remain in possession of the property and administer it. Having chosen that route, they should not now be permitted to go back as they wish to do.

[19] The mortgagees rely on the case of *Terra Nova Management Ltd. v. Halycion Health Spa Ltd.* (2005), 13 C.B.R. (5th) 273 (B.C.S.C.); aff’d (2006), 25 C.B.R. (5th) 199 (B.C.C.A.). In that

case, Madam Justice Stromberg-Stein held that fees of a receiver did not take priority over a secured creditor although the order appointing the receiver had provided a first charge securing the receiver's fees. She referred to principles discussed by Houlden J.A. in *Robert F. Kowal Investments Ltd. et al. v. Deeder Electric Ltd.* (1975), 21 C.B.R. (N.S.) 201 (Ont. C.A.) and applied the principles to the facts before her. I do not see the *Terra Nova* case as establishing any principle but merely is a decision on the facts of that case applying legal principles from *Kowal*.

[20] In *Kowal*, Houlden J.A. stated a number of principles regarding the right of a receiver of a debtor to have security over property of a secured creditor. In sum, he stated:

- (i) A receiver's right to an indemnity is restricted to assets under his control and as a general rule, will have no power to subject the security of secured creditors to liability for disbursements made by the receiver.
- (ii) There are certain exceptions to the general rule. Without being exhaustive, and listing the exceptions relevant to the case before him, Houlden J.A. referred to three exceptions.
- (iii) The first exception is if a receiver has been appointed at the request of or with the consent or approval or acquiescence of the security holder, the receiver will be given priority over the security holder.
- (iv) The second exception is if a receiver has been appointed to preserve and realize assets for the benefit of all interested parties, including secured creditors, the receiver will be given priority over the secured creditors for charges and expenses properly incurred by the receiver. In such a case, one would expect that an order permitting borrowing by the receiver would make it clear before the fact, not after the fact, that the receiver could give as security for his borrowing a charge upon the assets in priority to the security of the secured creditors. When an order is sought for this type of borrowing, notice will ordinarily be given to the secured creditors whose rights will be affected.

- (v) The third exception is if the receiver has expended money for the necessary preservation or improvement of the property, he may be given priority for such expenditure over secured creditors.

[21] In *Terra Nova*, although the secured creditor was aware of the order granting the receiver security ahead of secured creditors, it sat back and did nothing because it thought the equity in the property was enough to protect its loan. Justice Stromberg-Stein held that the secured creditor did not have notice of the order because service on its lawyer was not notice to it. She also stated that the receiver had to establish that the secured creditor consented to, approved of, or acquiesced to the appointment of the receiver, and that there was no evidence of acquiescence. Each case depends on its own facts, but I was invited to make the same finding in this case because of the similar circumstances. I decline to do so. I must say I have some question with the finding in *Terra Nova* that the secured creditor did not acquiesce in the appointment of the receiver. In the Court of Appeal, Donald J.A. thought it an error to say that service on the lawyer for the secured creditor was not notice to the secured creditor, but held that in spite of that error, there was no palpable and overriding error in the inference of fact found by Justice Stromberg-Stein.

[22] Apart from the fact that the Dupont mortgagees failed to act promptly under rule 37.14 and for that reason are not entitled to the relief they seek, in my view the first of the two exceptions enunciated by Houlden J.A. in *Kowal* permitted the order granting the Manager's charges.

[23] While it would have been desirable in a perfect world for the secured creditors on all of the properties to have been given notice of the motion, it was understandable with the terrible state of the books and records maintained by the Waltons and the urgency to stop unauthorized use of money that notice was not given to them. At that time, the Inspector was not able to know what money might be owed on the various mortgages on the various properties. But notice was given shortly after the order was made and the various mortgagees had all of the rights of objecting to the Manager's security as they would have had had they been given notice of the motion before the order was made.

[24] The Dupont mortgagees not only acquiesced in the order appointing the Manager once they learned of it but took the position that it wanted the Manager to continue administering the Dupont property under that order. They knew that the Manager was incurring fees and relying on the priority of the Manager's charges. They could hardly take that position but expect the Manager not to be paid for its fees and disbursements or to have security for those fees and disbursements as provided for in that order. They were in no position to pick and choose which provisions of the order they liked.

[25] Moreover, the receiver was necessary to preserve and realize the property of all of the schedule B corporations, including the Dupont property, for the benefit of all interested parties, including secured creditors. All of the properties were in chaos at the time the Manager was appointed and the subject of wrongful conduct, including co-mingling of funds, a lack of records and unauthorized use of funds. If the Waltons had been left unchecked, the adverse effects would undoubtedly have been worse. The Manager undertook sales efforts for all of the properties, including the Dupont property.

[26] I do not think the Dupont mortgagees are entitled to focus only on their property in these circumstances. In any event, the diversion of funds by the Waltons that had been invested in the Dupont property by Dr. Bernstein deprived the Dupont Corporation of resources that it required to complete the renovations commenced before the Manager was appointed, and the Walton's failure to pay creditors resulted in numerous liens being registered against the Dupont property. The appointment of the Manager was absolutely required for all of the schedule B corporations and their property, including the Dupont property, to preserve the properties.

[27] In the circumstances, the motion by the Dupont mortgagees is dismissed. What amount of fees and disbursements of the Manager that may be allocated to the Dupont property will be dealt with on the return of the motion by the Manager to approve a methodology for the allocation of its fees and disbursements among the schedule B corporations.

[28] The Manager is entitled to its costs of the motion. If costs cannot be agreed, brief written submissions may be made along with a cost outline within 10 days and brief reply written submissions may be made within a further 10 days.

A handwritten signature in black ink, appearing to read 'Newbould J.', is written over a horizontal line.

Newbould J.

Date: February 9, 2015

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



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE NEWBOULD

)
)
)

MONDAY, THE 20th
DAY OF APRIL , 2015

BETWEEN:

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

ORDER

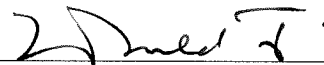
(Approval of fees from May 28, 2014 to November 30, 2014 and approval of Fee Allocation Methodology)

THIS MOTION, made by Schonfeld Inc. in its capacity as the manager (the “**Manager**”) appointed pursuant to the Order of Justice Newbould dated November 5, 2013 (the “**November 5 Order**”) for an Order, *inter alia*, approving the Manager’s fees and disbursements, the fees and disbursements of the Manager’s counsel and the methodology for allocating the fees among the assets that are subject to the Manager’s mandate (the “**Fee Allocation Methodology**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twenty-Second Report dated December 3, 2014 (the “**Report**”) of the Manager, the Supplemental Report to the Twenty-Second Report of the Manager dated December 16, 2014 (the “**Supplemental Report**”), the Fifth Supplemental Report to the Twenty-Second Report of the Manager dated February 2, 2014 (the “**Fifth Supplemental Report**”), the Affidavit of Brian Empey sworn December 8, 2014, the Affidavit of Harlan Schonfeld sworn December 5, 2014, the Consolidated Motion Record of the Manager dated February 3, 2015 (the “**Consolidated Motion Record**”), the Supplementary Motion Record of the Manager dated April 15, 2015 (the “**Supplementary Motion Record**”), the Affidavit of Elyse Nobert sworn April 15, 2015, the Affidavit of Jack Brudner affirmed January 22, 2015, the Mortgagees’ Responding Motion Record dated January 23, 2015, Fox Contracting Inc. et al.’s Responding Motion Record dated April 8, 2015, the Affidavit of Robert Lorion sworn March 30, 2015 and on hearing the submissions of counsel for the Manager, the Applicants, Florence Leaseholds Limited, Beatrice Limited and Ada Leaseholds Limited, Laser Heating and Fox Contracting Ltd. and the Handelman Group, no one appearing for any other person on the service list:

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Consolidated Motion Record and Supplementary Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that capitalized terms used but not defined in this Order shall have the meaning given to such terms in the Report, the Supplemental Report, and the Fifth Supplemental Report as applicable.
3. THIS COURT ORDERS that the fees and disbursements of the Manager for the period June 1, 2014 to November 30, 2014, in the amount of \$893,711.06 including HST and the fees and disbursements of the Manager’s counsel, Goodmans LLP, for the period May 28, 2014 to November 30, 2014, in the amount of \$816,575.42 including HST, are hereby approved.
4. THIS COURT ORDERS that the Fee Allocation Methodology proposed by the Manager described in the Twenty-Second Report of the Manager and the supplements thereto in respect of the fees and costs of the Manager and its counsel, Goodmans LLP, applicable to the Schedule B Companies and Schedule C Properties is hereby approved.

5. THIS COURT ORDERS that the allocation to each of the Schedule B Companies and the Schedule B Properties with respect to the period up to November 30, 2014 shall be as set out in Appendix "A" to this Order.



ENTERED AT / INSCRIT A TORONTO

ON / BOOK NO:

LE / DANS LE REGISTRE NO.:

MAY 27 2015



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.

Schedule B Companies and Schedule C Properties
Fee Allocation and Funding Repayment Schedule
to November 30, 2014

Company	Active Property Management 40%	Negotiated APS 10%	Legal Complexity 25%	Claims Process 10%	Manager Interaction w Stakeholders 10%	Property Value 5%	Weighting	Initial Relative Weighting 100%	Final Date of Control	Method of Disposition	Final Allocation Date
SCHEDULE B COMPANIES											
Ascalon	1	0	1	1	2	1	0.8	1.2%	1-Apr-14	RtMwS	30-Jun-14
Bannockburn	1	1	1	1	2	3	1.0	1.5%	1-Jul-14	RtMnS	31-Jul-14
Cityview	3	3	3	2	1	2	2.6	3.8%	29-Aug-14	SMnS	28-Sep-14
Dewhurst	1	1	1	1	2	1	0.9	1.3%	1-Jul-14	RtMnS	31-Jul-14
Donalda	3	3	2	1	3	3	2.3	3.3%	16-Jun-14	SMwS	14-Sep-14
Double Rose	3	3	3	0	3	2	2.4	3.5%	15-Oct-14	SMnS	14-Nov-14
Dupont	3	3	3	0	3	2	2.4	3.5%	9-Oct-14	RtMnS	8-Nov-14
Eddystone	1	2	1	0	2	1	0.9	1.3%	17-Sep-14	RtMnS	17-Oct-14
Fraser Lands	2	0	2	0	2	1	1.4	2.0%	1-Apr-14	RtMnS	1-May-14
Fraser Properties	2	0	2	0	2	3	1.5	2.1%	1-Apr-14	RtMnS	1-May-14
Global Mills	1	0	2	0	2	3	1.1	1.6%	10-Apr-14	RtMnS	10-May-14
Hidden Gem	3	3	1	3	2	1	2.1	3.1%	26-Jun-14	SMwS	24-Sep-14
Lesliebrook Holdings	2	2	2	2	3	2	1.8	2.7%	23-Apr-14	SMwS	22-Jul-14
Lesliebrook Lands	0	0	0	0	0	0	0.0	0.0%	30-Sep-13		30-Sep-13
Liberty Village Lands	1	2	1	0	1	1	0.9	1.3%	2-Apr-14	SMwS	1-Jul-14
Liberty Village Properties	2	2	1	2	3	3	1.6	2.4%	2-Apr-14	SMwS	1-Jul-14
Northern Dancer	1	1	2	1	2	1	1.2	1.7%	1-Apr-14	SMwS	30-Jun-14
Queen's Corner	2	2	2	0	1	1	1.6	2.3%	24-Jun-14	SMnS	24-Jul-14
Red Door Developments	2	3	3	0	3	2	2.0	2.9%	17-Jul-14	SMnS	16-Aug-14
Red Door Lands	2	3	3	0	3	1	1.9	2.8%	17-Jul-14	SMnS	16-Aug-14
Richmond Row/165 Bathurst	2	3	2	2	3	3	2.0	2.9%	22-Sep-14	SMwS	21-Dec-14
Riverdale Mansion	1	2	2	0	1	1	1.2	1.7%	1-May-14	SMnS	31-May-14
Royal Agincourt	3	3	1	2	3	3	2.1	3.1%	22-Apr-14	SMwS	21-Jul-14
Royal Gate Holdings	3	3	1	3	3	3	2.2	3.3%	23-Jun-14	SMwS	21-Sep-14
Salmon River Properties	0	0	1	0	1	1	0.3	0.4%	19-Dec-14	SMnS	18-Jan-15
Skyway	2	3	2	2	1	1	1.9	2.7%	20-Aug-14	SMwS	18-Nov-14
Tisdale	1	2	3	2	2	2	1.3	1.9%	12-May-14	SMwS	10-Aug-14
Twin Dragons	3	2	3	3	3	3	2.6	3.9%	2-Apr-14	SMwS	1-Jul-14
West Mall	3	3	2	0	3	3	2.2	3.2%	15-Dec-14	SMnS	14-Jan-15
Weston Lands	1	2	1	2	1	2	1.2	1.7%	24-Dec-14	SMwS	24-Mar-15
Wynford	2	0	2	0	3	2	1.4	2.1%	2-Apr-14	RtMnS	2-May-14
Total Schedule B											
SCHEDULE C PROPERTIES											
44 Park Lane Circle	2	0	3	0	2	3	1.7	2.5%	19-Dec-14	RtMnS	18-Jan-15
777 St. Clarens/260 Emerson	2	0	1	0	1	1	1.1	1.6%	7-Nov-14	RtMnS	7-Dec-14
66 Gerrard	3	2	1	1	2	2	1.9	2.7%	15-Oct-14	SMwS	13-Jan-15
324 Prince Edward	2	2	1	1	2	1	1.4	2.1%	23-Dec-14	SMnS	22-Jan-15
1 William Morgan	2	0	1	0	1	1	1.1	1.6%	1-Oct-14	RtMnS	31-Oct-14
3270 American Drive	0	0	1	1	2	1	0.8	1.2%	1-Oct-14	RtMnS	31-Oct-14
321 Carlaw	0	0	1	0	1	1	0.3	0.4%	1-Nov-14	RtMnS	1-Dec-14
346 Jarvis, Unit A	1	1	2	1	1	1	1.2	1.7%	15-Dec-14	SMwS	15-Mar-15
346 Jarvis, Unit B	1	1	2	1	1	1	1.2	1.7%	31-Dec-14	SMwS	31-Mar-15
346 Jarvis, Unit E	1	1	2	1	1	1	1.2	1.7%	20-Nov-14	RtMwS	18-Feb-15
346 Jarvis, Unit F	1	1	2	1	1	1	1.2	1.7%	31-Dec-14	SMwS	31-Mar-15
2454 Bayview	0	0	1	1	1	1	0.4	0.6%	1-Oct-14	RtMnS	31-Oct-14
30 Hazelton	0	0	1	1	0	1	0.4	0.6%	12-Aug-14	RtMwS	10-Nov-14
24 Cecil	2	2	1	3	3	1	1.6	2.4%	17-Oct-14	SMwS	15-Jan-15
2 Kelvin	2	1	1	0	1	1	1.2	1.8%	19-Dec-14	SMnS	18-Jan-15
0 Luttrell	0	1	1	0	0	1	0.4	0.6%	19-Dec-14	SMnS	18-Jan-15
Total Schedule C											
OTHER PROPERTIES											
65 Front St.	0	0	3	3	1	2	1.2	1.7%	1-Jun-14	CPDO	29-Sep-14
19 Tennis Crescent	0	0	1	0	0	0	0.3	0.4%	12-Aug-14	DisProp	11-Oct-14
646 Broadview	0	0	2	0	0	0	0.5	0.7%	12-Aug-14	DisProp	11-Oct-14
346 Jarvis, Unit C	0	0	2	0	0	0	0.5	0.7%	12-Aug-14	DisProp	11-Oct-14
252 Carlton/478 Parliament	0	0	1	0	0	0	0.3	0.4%	12-Aug-14	DisProp	11-Oct-14
Total Other Properties											
Total Fee Allocation							67.5	100.0%			
1	Low	Low	Low	Low	Low	< \$5M	SMwS	Add days: 90	Sold by Manager, surplus remaining		
2	Moderate	Moderate	Moderate	Moderate	Moderate	\$5-10M	SMnS	Add days: 30	Sold by Manager, no surplus		
3	Complex	Complex	Complex	Complex	Complex	\$10M +	RtMwS	Add days: 90	Returned to Mortgagee, surplus from sale		
							RtMnS	Add days: 30	Returned to Mortgagee, no surplus from sale		
							CPDO	Add days: 120	Claims process and distribution only		
							DisProp	Add days: 60	Disputed property, to be reviewed		

Schedule B Companies and Schedule C Properties
Fee Allocation and Funding Repayment Schedule
to November 30, 2014

Company	30-Nov-13	31-Dec-13	31-Jan-14	28-Feb-14	31-Mar-14	30-Apr-14	31-May-14	30-Jun-14
SCHEDULE B COMPANIES								
Ascalon	3,554.98	4,113.89	7,185.99	6,436.01	7,010.48	7,531.12	6,047.67	6,611.82
Bannockburn	4,443.72	5,142.37	8,982.49	8,045.02	8,763.11	9,413.90	7,559.58	8,264.78
Cityview	11,331.48	13,113.04	22,905.35	20,514.79	22,345.92	24,005.45	19,276.94	21,075.19
Dewhurst	3,999.35	4,628.13	8,084.24	7,240.52	7,886.80	8,472.51	6,803.63	7,438.30
Donalda	9,998.37	11,570.33	20,210.60	18,101.29	19,716.99	21,181.28	17,009.06	18,595.76
Double Rose	10,442.74	12,084.57	21,108.85	18,905.79	20,593.30	22,122.67	17,765.02	19,422.24
Dupont	10,442.74	12,084.57	21,108.85	18,905.79	20,593.30	22,122.67	17,765.02	19,422.24
Eddystone	3,999.35	4,628.13	8,084.24	7,240.52	7,886.80	8,472.51	6,803.63	7,438.30
Fraser Lands	5,999.02	6,942.20	12,126.36	10,860.77	11,830.19	12,708.77	329.21	0.00
Fraser Properties	6,443.39	7,456.43	13,024.61	11,665.27	12,706.50	13,650.16	353.59	0.00
Global Mills	4,665.90	5,399.49	9,431.61	8,447.27	9,201.26	9,884.60	2,560.50	0.00
Hidden Gem	9,331.81	10,798.97	18,863.23	16,894.54	18,402.52	19,769.19	15,875.13	17,356.04
Lesliebrook Holdings	7,998.69	9,256.26	16,168.48	14,481.03	15,773.59	16,945.02	13,607.25	14,876.61
Lesliebrook Lands	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liberty Village Lands	3,999.35	4,628.13	8,084.24	7,240.52	7,886.80	8,472.51	6,803.63	7,438.30
Liberty Village Properties	7,109.95	8,227.79	14,371.98	12,872.03	14,020.97	15,062.24	12,095.33	13,223.65
Northern Dancer	5,110.28	5,913.72	10,329.86	9,251.77	10,077.57	10,825.99	8,693.52	9,504.50
Queen's Corner	6,887.76	7,970.67	13,922.86	12,469.78	13,582.81	14,591.55	11,717.35	12,810.41
Red Door Developments	8,665.25	10,027.62	17,515.85	15,687.78	17,088.06	18,357.11	14,741.19	16,116.32
Red Door Lands	8,443.07	9,770.50	17,066.73	15,285.53	16,649.90	17,886.41	14,363.21	15,703.08
Richmond Row/165 Bathurst	8,665.25	10,027.62	17,515.85	15,687.78	17,088.06	18,357.11	14,741.19	16,116.32
Riverdale Mansion	5,110.28	5,913.72	10,329.86	9,251.77	10,077.57	10,825.99	8,693.52	0.00
Royal Agincourt	9,331.81	10,798.97	18,863.23	16,894.54	18,402.52	19,769.19	15,875.13	17,356.04
Royal Gate Holdings	9,776.18	11,313.21	19,761.48	17,699.04	19,278.83	20,710.58	16,631.08	18,182.52
Salmon River Properties	1,353.12	1,542.71	2,694.75	2,413.51	2,628.93	2,824.17	2,267.88	2,479.43
Skyway	8,220.88	9,513.38	16,617.60	14,883.28	16,211.75	17,415.72	13,985.23	15,289.84
Tisdale	5,554.65	6,427.96	11,228.11	10,056.27	10,953.88	11,767.38	9,449.48	10,330.98
Twin Dragons	11,553.67	13,370.16	23,354.47	20,917.04	22,784.07	24,476.14	19,654.92	21,488.43
West Mall	9,554.00	11,056.09	19,312.35	17,296.79	18,840.68	20,239.89	16,253.10	17,769.28
Weston Lane	5,110.28	5,913.72	10,329.86	9,251.77	10,077.57	10,825.99	8,693.52	9,504.50
Wynford	6,221.21	7,199.32	12,575.48	11,263.02	12,268.35	13,179.46	682.80	0.00
Total Schedule B	213,298.53	246,833.67	431,159.46	386,160.83	420,629.08	451,867.28	327,098.31	343,814.88
SCHEDULE C PROPERTIES								
44 Park Lane Circle								
777 St. Clarens/260 Emerson								
66 Gerrard								
324 Prince Edward								
1 William Morgan								
3270 American Drive								
321 Carlaw								
346 Jarvis, Unit A								
346 Jarvis, Unit B								
346 Jarvis, Unit E								
346 Jarvis, Unit F								
2454 Bayview								
30 Hazelton								
24 Cecil								
2 Kelvin								
0 Luttrell								
Total Schedule C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER PROPERTIES								
65 Front St.								9,504.50
19 Tennis Crescent								
646 Broadview								
346 Jarvis, Unit C								
252 Carlton/478 Parliament								
Total Other Properties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,504.50
Total Fee Allocation	\$ 213,298.53	\$ 246,833.67	\$ 431,159.46	\$ 386,160.83	\$ 420,629.08	\$ 451,867.28	\$ 327,098.31	\$ 353,319.38

Schedule B Companies and Schedule C Properties
Fee Allocation and Funding Repayment Schedule
to November 30, 2014

Company	31-Jul-14	31-Aug-14	30-Sep-14	31-Oct-14	30-Nov-14	31-Dec-14	Total Allocation of Professional Fees	Manager Funded	TOTAL Professional Fee Allocation + Funding
SCHEDULE B COMPANIES									
Ascalon	0.00	0.00	0.00	0.00	0.00	0.00	48,491.96	35,500.00	83,991.96
Bannockburn	7,563.02	0.00	0.00	0.00	0.00	0.00	68,177.99	178,500.00	246,677.99
Cityview	19,285.71	20,761.27	18,300.25	0.00	0.00	0.00	212,915.39	171,900.00	384,815.39
Dewhurst	6,806.72	0.00	0.00	0.00	0.00	0.00	61,360.20	54,800.00	116,160.20
Donalda	17,016.81	18,318.76	8,073.64	0.00	0.00	0.00	179,792.89	0.00	179,792.89
Double Rose	17,773.11	19,132.93	18,069.57	23,501.29	9,574.04	0.00	230,496.12	170,000.00	400,496.12
Dupont	17,773.11	19,132.93	18,069.57	23,501.29	5,470.88	0.00	226,392.96	215,000.00	441,392.96
Eddystone	6,806.72	7,327.51	6,920.26	4,935.76	0.00	0.00	80,543.73	78,500.00	159,043.73
Fraser Lands	0.00	0.00	0.00	0.00	0.00	0.00	60,796.52	0.00	60,796.52
Fraser Properties	0.00	0.00	0.00	0.00	0.00	0.00	65,299.95	61,000.00	126,299.95
Global Mills	0.00	0.00	0.00	0.00	0.00	0.00	49,590.63	0.00	49,590.63
Hidden Gem	15,882.35	17,097.51	12,917.82	0.00	0.00	0.00	173,189.11	0.00	173,189.11
Lesliebrook Holdings	9,661.15	0.00	0.00	0.00	0.00	0.00	118,768.08	0.00	118,768.08
Lesliebrook Lands	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liberty Village Lands	219.57	0.00	0.00	0.00	0.00	0.00	54,773.05	17,700.00	72,473.05
Liberty Village Properties	390.35	0.00	0.00	0.00	0.00	0.00	97,374.29	0.00	97,374.29
Northern Dancer	0.00	0.00	0.00	0.00	0.00	0.00	69,707.21	39,500.00	109,207.21
Queen's Corner	9,075.63	0.00	0.00	0.00	0.00	0.00	103,028.82	126,500.00	229,528.82
Red Door Developments	14,747.90	8,194.20	0.00	0.00	0.00	0.00	141,141.28	11,000.00	152,141.28
Red Door Lands	14,369.75	7,984.09	0.00	0.00	0.00	0.00	137,522.27	25,200.00	162,722.27
Richmond Row/165 Bathurst	14,747.90	15,876.26	14,993.90	19,501.07	17,023.75	0.00	200,342.06	0.00	200,342.06
Riverdale Mansion	0.00	0.00	0.00	0.00	0.00	0.00	60,202.71	66,800.00	127,002.71
Royal Agincourt	10,759.01	0.00	0.00	0.00	0.00	0.00	138,050.44	0.00	138,050.44
Royal Gate Holdings	16,638.65	17,911.68	11,841.34	0.00	0.00	0.00	179,744.59	0.00	179,744.59
Salmon River Properties	2,268.91	2,442.50	2,306.75	3,000.17	2,619.04	0.00	30,821.87	25,000.00	55,821.87
Skyway	13,991.60	15,062.10	14,224.98	18,501.02	9,690.44	0.00	183,607.82	144,000.00	327,607.82
Tisdale	9,453.78	3,282.93	0.00	0.00	0.00	0.00	88,505.42	0.00	88,505.42
Twin Dragons	634.32	0.00	0.00	0.00	0.00	0.00	158,233.22	0.00	158,233.22
West Mall	16,260.50	17,504.60	16,531.74	21,501.18	18,769.77	0.00	220,889.97	0.00	220,889.97
Weston Lands	8,697.48	9,362.92	8,842.56	11,500.63	10,039.65	0.00	118,150.45	153,000.00	271,150.45
Wynford	0.00	0.00	0.00	0.00	0.00	0.00	63,389.64	38,400.00	101,789.64
Total Schedule B	250,824.05	199,392.19	151,092.38	125,942.41	73,187.57	0.00	3,621,300.64	1,612,300.00	5,233,600.64
SCHEDULE C PROPERTIES									
44 Park Lane Circle		8,483.10	13,071.61	17,000.94	14,841.22	0.00	53,396.87		53,396.87
777 St. Clarens/260 Emerson		5,489.06	8,458.10	11,000.61	9,603.14	0.00	34,550.91	1,900.70	36,451.61
66 Gerrard		9,231.61	14,224.98	18,501.02	16,150.74	0.00	58,108.35	3,674.02	61,782.37
324 Prince Edward		6,986.08	10,764.85	14,000.77	12,222.18	0.00	43,973.88	2,227.01	46,200.89
1 William Morgan		5,489.06	8,458.10	11,000.61	0.00	0.00	24,947.77	2,645.36	27,593.13
3270 American Drive		3,992.05	6,151.34	8,000.44	0.00	0.00	18,143.83	3,540.09	21,683.92
321 Carlaw		1,497.02	2,306.75	3,000.17	2,619.04	0.00	9,422.98	338.52	9,761.50
346 Jarvis, Unit A		5,738.57	8,842.56	11,500.63	10,039.65	0.00	36,121.41	2,736.97	38,858.38
346 Jarvis, Unit B		5,738.57	8,842.56	11,500.63	10,039.65	0.00	36,121.41	2,736.97	38,858.38
346 Jarvis, Unit E		5,738.57	8,842.56	11,500.63	10,039.65	0.00	36,121.41	2,736.97	38,858.38
346 Jarvis, Unit F		5,738.57	8,842.56	11,500.63	10,039.65	0.00	36,121.41	2,736.97	38,858.38
2454 Bayview		1,996.02	3,075.67	4,000.22	0.00	0.00	9,071.91	3,557.98	12,629.89
30 Hazelton		1,996.02	3,075.67	4,000.22	1,164.02	0.00	10,235.93		10,235.93
24 Cecil		7,984.09	12,302.69	16,000.88	13,968.20	0.00	50,255.86	2,312.07	52,567.93
2 Kelvin		5,988.07	9,227.02	12,000.66	10,476.15	0.00	37,691.90	3,433.65	41,125.55
0 Luttrell		1,996.02	3,075.67	4,000.22	3,492.05	0.00	12,563.96	119.97	12,683.93
Total Schedule C	0.00	84,082.48	129,562.69	168,509.28	124,695.34	0.00	506,849.79	34,697.25	541,547.04
OTHER PROPERTIES									
65 Front St.	8,697.48	9,362.92	8,547.81	0.00	0.00	0.00	36,112.71		36,112.71
19 Tennis Crescent		1,247.51	1,922.30	887.15	0.00	0.00	4,056.96		4,056.96
646 Broadview		2,495.03	3,844.59	1,774.29	0.00	0.00	8,113.91		8,113.91
346 Jarvis, Unit C		2,495.03	3,844.59	1,774.29	0.00	0.00	8,113.91		8,113.91
252 Carlton/478 Parliament		1,247.51	1,922.30	887.15	0.00	0.00	4,056.96		4,056.96
Total Other Properties	8,697.48	16,848.00	20,081.59	5,322.88	0.00	0.00	60,454.45	0.00	60,454.45
Total Fee Allocation	\$ 259,521.53	\$ 300,322.67	\$ 300,736.66	\$ 299,774.57	\$ 197,882.91	\$ -	\$ 4,188,604.88	\$ 1,646,997.25	\$ 5,835,602.13

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 Ltd.
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. Royal Gate Nominee Inc.
29. Royal Gate (Land) Nominee Inc.
30. Dewhurst Development Ltd.
31. Eddystone Place Inc.
32. Richmond Row Holdings Ltd.

33. El-Ad (1500 Don Mills) Limited
 34. 165 Bathurst Inc.
-

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

DBDC SPADINA LTD. ET AL

and

NORMA WALTON ET AL

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

Applicants

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

ORDER**GOODMANS LLP**

Barristers & Solicitors

333 Bay Street, Suite 3400

Toronto, Canada M5H 2S7

Brian Empey LSUC#: 30640G

Mark Dunn LSUC#: 55510L

Tel: 416.979.2211

Fax: 416.979.1 234

Lawyers for the Manager

COURT OF APPEAL FOR ONTARIO

CITATION: DBDC Spadina Ltd. v. Walton, 2015 ONCA 624

DATE: 20150917

DOCKET: C59434

Gillese, Lauwers and Benotto JJ.A.

BETWEEN

DBDC Spadina Ltd. and those corporations listed on Schedule A hereto

Applicants (Respondents)

and

Norma Walton, Ronauld Walton, The Rose & Thistle Group Ltd. and Eglinton
Castle Inc.

Respondents (Appellants)

and

Those corporations listed on Schedule B hereto, to be bound by the result

Norma Walton, acting in person

Peter H. Griffin and Danielle Glatt, for the respondents DBDC Spadina Ltd. and
those corporations listed on Schedule A hereto

Mark Dunn, for Schonfeld Inc., Manager and Inspector

Heard: September 10, 2015

On appeal from the judgment of Justice David M. Brown of the Superior Court of
Justice, dated August 12, 2014.

ENDORSEMENT

[1] Ms. Walton appeals the judgment and order of Brown J. dated August 12, 2014 (the "Judgment"). At para. 12 of the Judgment, the motions judge ordered constructive trusts over certain properties.

[2] At the oral hearing of this appeal, Ms. Walton advised the court that she would pursue only the issues she had raised in respect of the constructive trusts. She asked that para. 12 of the Judgment be set aside and that the constructive trust matter be remitted for trial of an issue. Her wide-ranging attack on the validity of the constructive trusts included the submissions that the matter was too complex to be decided without the benefit of hearing oral evidence and that the motion judge erred by accepting the Inspector's report because he failed to understand that the methodology in that report created the potential for double recovery on the part of the Bernstein applicants. She spoke of the commingling of funds and the failure to properly trace monies in and out of the various properties.

[3] We do not accept these submissions.

[4] The motions judge correctly articulated the applicable legal principles in respect of constructive trusts. He imposed them based on the conduct of the Waltons and their companies, namely, their fraud, deceit and misappropriation of the Bernstein applicants' funds for their own personal use and in contravention of their agreements.

[5] We wholly reject the suggestion that the motions judge failed to appreciate the evidence. His reasons are a hundred pages in length. They are cogent and thorough. In them, the motions judge demonstrates a full appreciation of the issues, relevant legal principles and extensive evidentiary record.

[6] In respect of the attack on tracing, we begin by observing that the motion judge was entitled to prefer the Inspector's report and its methodology over that of Mr. Froese, the Waltons' expert. Further, it is important to note that the motion judge imposed constructive trusts over only those properties in which the Bernstein applicants' monies could be traced and commingling was not an issue.

[7] The claims process provides a mechanism to prevent double recovery, as both counsel for the Inspector and for the Bernstein applicants acknowledged.

[8] For these reasons, the appeal is dismissed with costs to the respondent fixed at \$35,000, inclusive of applicable taxes and disbursements.

R. R. Giese Jt.

Pham JA

M. L. Benotto J.A

Schedule "A" Companies

1. Dr. Bernstein Diet Clinics Ltd.
2. 2272551 Ontario Limited
3. DBDC Investments Atlantic Ltd.
4. DBDC Investment 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 Inc.
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 Industrial 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.

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 Developments Ltd.
29. Eddystone Place Inc.
30. Richmond Row Holdings Ltd.
31. El-Ad Limited
32. 165 Bathurst Inc.

CITATION: DBCD Spadina Ltd et al v. Norma Walton et al, 2015 ONSC 5608

COURT FILE NO.: CV-13-10280-00CL

DATE: 20150910

**SUPERIOR COURT OF JUSTICE – ONTARIO
COMMERCIAL LIST**

BETWEEN 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 ON SCHEDULE B HERETO, TO BE
BOUND BY THE RESULT

BEFORE: Newbould J.

COUNSEL: *Mark S. Dunn*, for the Manager

Morris Cooper, for 2299366 Ontario Inc. o/a Strada 241

HEARD: September 8, 2015

ENDORSEMENT

[1] Schonfeld Inc., the Manager of the Schedule B Companies moves for approval of its disallowance of the claim of 2299366 Ontario Inc. o/a Strada 241 (“Strada”). Under the claims process order of June 18, 2014, if a dispute between a claimant and the Manager is not settled

within a time period or in a manner satisfactory to the Manager, the Manager may bring the dispute before the Court for determination and the determination by the Court shall be final and binding on the parties for all purposes.

[2] The claims process order did not provide any direction regarding which party has the onus when a dispute is brought before the Court for determination. In my view, the onus should be on claimant as it is in an appeal from a disallowance of a claim by a trustee in bankruptcy. The Manager is an officer of the Court with the same level of responsibility to the parties as a trustee in bankruptcy. I agree with Walker J. in *Coastal Capital Savings Credit Union v. Symphony Development Corp.* 75 C.B.R. (5th) 221 who stated:

20 ... the Court's review of the receiver's determinations must be conducted on a principled basis; the review must not trample upon the integrity of the claims process. The review or appeal process should not detract from the requirement that parties who choose to engage in the claims process in the first instance must take it seriously. Further, the review process should be one that maintains the onus on any party who disputes the receiver's decision.

21 I agree with the receiver's submissions that to permit a *de novo* examination of each of the contested claims is not appropriate. It is unprincipled, and it renders pointless the claims process undertaken to date.

[3] On an appeal from a disallowance of a claim, the court should only intervene in the case of an error of law or a palpable and overriding error of fact. See Houlden, Morawetz and Sarra, *2015 Annotated Bankruptcy and Insolvency Act*, (Thomson Reuters Canada Limited) at §G109(1).

Strada Claim

[4] Strada operated a restaurant on the first floor of one of the Schedule “B” Properties, 241 Spadina Avenue pursuant to a Lease Agreement dated September 8, 2011 (the “Lease”) entered into with the owner of the Spadina Property, Twin Dragons Corporation (“Twin Dragons”).

[5] The Strada claim relates to alleged breaches of the Lease by Twin Dragons. More specifically, Strada alleges that Twin Dragons failed to complete certain work specified in the

Lease in a timely manner and that, as a result, the opening of the Restaurant was delayed and Strada suffered various losses.

[6] The Strada claim was filed with the Manager on July 10, 2014. It claimed to have an unsecured claim of \$550,000 resulting from a breach of contract by Twin Dragons. It did not include any detailed description of Strada's alleged loss. The Manager disallowed the claim on three grounds. The first was that Strada commenced its action against Twin Dragons more than two years after the breach and therefore was statute-barred under the *Limitations Act 2002*. The second was that some months after the breach, Strada had executed an estoppel certificate to Strada's lender that stated that Strada had no claim against Twin Dragons. The third was that Strada had failed to provide sufficient particulars of its damages.

Limitation period

[7] The building in which the restaurant was to operate was a historical building on Spadina Ave. that had been stripped of materials to the raw beams and studs and further work was required. Under schedule C to the Lease, Twin Dragons was responsible for a number of things, including providing electrical power to service the premises not later than November 11, 2011.

[8] Strada commenced its action against Twin Dragons by notice of action on December 13, 2014 and its statement of claim was dated January 14, 2014. In the statement of claim Strada claimed damages of \$350,000 for breach of the Lease. Strada pleaded that Twin Dragons was obliged under the Lease to provide electrical power to the premises by November 1, 2011 and that unknown to Strada, but known to Twin Dragons, there was never any realistic possibility of having power available by that date specified in the Lease and the power supply was a custom made unit which had never even been ordered. Strada pleaded that Twin Dragons "made this representation" to Strada deliberately with the deceptive intention of persuading Strada to sign the Lease. No claim for misrepresentation was pleaded.

[9] On this motion, Strada filed an affidavit of Michael Rubino, the president of Strada. Whether such an affidavit was permissible is a question mark, but it was not objected to by the Manager.

[10] In his affidavit, Mr. Rubino stated that he was aware that power would not be available by November 1, 2011 no later than September 29, 2011. It is clear from this affidavit that the primary cause of the loss to Strada was the failure of Twin Dragons to have power available by November 1, 2011. Strada was therefore aware of the breach underlying its claim as soon as it occurred on November 1, 2011, more than two years before the notice of action was issued.

[11] On August 7, 2012 Twin Dragons and Strada signed a Lease Amending Agreement. This agreement provided benefits to Strada, including extending the commencement date of the lease to May 1, 2012. In the statement of claim in paragraph 1.a Strada claimed damages for breach of the Lease and the Lease Amending Agreement. However nowhere in the statement of claim was there any pleading of the Lease Amending Agreement or a claim that it had been breached. I do not accept the argument of Mr. Cooper that the reference to the Lease Amending Agreement in paragraph 1.a of the statement of claim means that the limitation period began to run only from the date of the Lease Amending Agreement.

[12] The Lease Amending Agreement provided in paragraph 14 that it was without prejudice to the rights of Strada under the existing Lease. Mr. Cooper contended that this provision was in effect a tolling agreement. I do not agree. It was the opposite. It preserved the right of Strada to sue Twin Dragons for breach of the Lease and made no mention at all that there was a tolling agreement to extend any limitation period.

[13] I conclude that the Strada claim was statute-barred and that the disallowance by the Manager of the claim on that basis was proper.

[14] In the circumstances, there is perhaps no need to consider the two other grounds relied on by the Manager to disallow the claim, but I shall do so briefly.

Estoppel Certificate

[15] On April 16, 2012, Rose & Thistle wrote to Mr. Rubino and asked Strada to execute an estoppel certificate in connection with the proposed refinancing of the Spadina Property. Mr.

Rubino responded that he was not prepared to execute an estoppel certificate because, in his view, Twin Dragons was in default of its obligations under the lease:

... Under these circumstances, it is not reasonable to expect the Tenant to sign a document saying the Lease is in good standing when it is not.

[16] The differences between Strada and Twin Dragons appear to have been resolved by the Lease Amending Agreement entered into on August 7, 2012. Among other things, the Lease Amending Agreement granted Strada a rent-free period from May 1, 2012 to September 30, 2012.

[17] Shortly after execution of the Lease Amending Agreement, Strada and Twin Dragons also agreed on the balance outstanding on the Leasehold Improvement Allowance. This agreement was reflected in an e-mail dated September 26, 2012.

[18] On March 4, 2013 Strada executed the Estoppel Certificate, which stated that:

There is no existing dispute, claim, setoff, defence or counterclaim by or against the Landlord, except as provided in Exhibit A.

[19] Exhibit A to the Estoppel Certificate did not identify any of the claims or losses presently asserted by Strada.

[20] Mr. Cooper contended that the Estoppel Certificate was made to Strada's lender and thus could not be relied on by the Manager in disallowing the claim of Strada. I do not agree. The Manager was required to investigate the claim and rely on evidence obtained, which this Estoppel Certificate was. In his affidavit filed on this motion, Mr. Rubino did not offer any explanation for executing the Estoppel Certificate that would justify his claim. In my view the Manager was entitled to rely on the Estoppel Certificate.

[21] The Manager made no reversible error in relying on the Estoppel Certificate in disallowing the Strada claim.

Proof of Damages

[22] In the statement of claim of Strada the damages claimed were \$350,000. In the claim filed with the Manager the damages claimed were \$550,000. Strada's claim was supported by printouts of email correspondence with Twin Dragons. It did not include any detailed description of either the cause or quantum of Strada's alleged loss. The lack of supporting documentation was relied on by the Manager in disallowing the claim.

[23] In his affidavit filed on this motion, Mr. Rubino said the damages were \$611,000 consisting of additional wages and salary of \$206,000, loss of income from restaurant operations of \$220,000, loss of income from TIFF and holiday season events of \$120,000 and additional construction costs due to delays of \$65,000. Mr. Rubino said that at the closing of the sale of the Spadina building, Strada owed approximately \$120,000 in overdue rent and that without wishing to have a further discussion on whether the Rent Free Period agreed to in the Lease Amending Agreement was sufficient, given further and repeated delays in construction caused by the Landlord following its execution, he offset the full amount from the claim so that he was submitting a total claim of \$491,000.

[24] This information in Mr. Rubino's affidavit is not any reliable information of damages. Mr. Rubino claims that Strada spent exactly \$206,000 on "additional wages and salaries". These wages and salaries are alleged to relate to staff that were hired to begin preparing for opening the Restaurant but not able to work at the Restaurant because of the construction delays. Based on the information provided, it is impossible to know how the \$206,000 figure was calculated. There is no information with respect who these employees were, what they were paid, when they started work or why the employees could not do whatever preparation they were hired to do.

[25] There was no documentation supporting additional construction costs said to have been incurred. If the losses claimed had been suffered, then supporting documents should have been readily available to Strada. The absence of supporting documents was specifically highlighted in the Manager's 34th Report on July 10, 2015, but Strada has made no attempt to file further evidence to support its claim.

[26] Moreover, a reference to a loss in income says nothing about the costs that were saved or the profitability of the restaurant business operated by Strada before it closed the restaurant.

[27] The Manager was entitled to rely on the lack of documentation supporting the claim of \$550,000 filed by Strata. The Manager made no reversible error in relying on the lack of documentation in disallowing the Strada claim.

Conclusion

[28] The disallowance by the Manager of the Strada claim is upheld.

[29] The Manager is entitled to its costs. If costs cannot be agreed, brief written submission not exceeding three pages along with a proper cost outline may be made by the Manager within 10 days and Strada shall have 10 further days to make brief written responding submissions not exceeding three pages in length.



Newbould J.

Date: September 10, 2015

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

DSDC SPADNA LTD

Plaintiff(s)

AND

NORMA WALTON et al

Defendant(s)

Case Management ☐ Yes ☐ No by Judge: _____

Counsel	Telephone No:	Facsimile No:
MARK DUNN - for the Manager		
MORRIS COPPER - for Spade 241		

- ☐ Order ☐ Direction for Registrar (No formal order need be taken out)
- ☐ Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- ☐ Adjourned to: _____
- ☐ Time Table approved (as follows):

September 29, 2015.

The Manager seeks costs of the motion regarding the Spade claim in the amount of \$15,784.50 plus HST and disbursements. Spade asserts the costs should be \$3,500 plus HST and disbursements.

In the rate charged the Manager by Mr. Dunn was \$05 per hour, a typical rate for his

Date

Judge's Signature

☐ Additional Pages 1 of 3

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

years of experience. 60% of the rate
(see Stetson Oil & Gas v Ship [2013] O.J.
No. 3702 and Inter-hearing Inc v Outrigger 2014
ONCA 683) would be \$360 per hour yet
the claim is only for \$225 per hour.

This matter was important to the Parties
in order to finalize claims. The information
provided by Stede was sparse, to say
the least.

~~Failing~~ Stede has provided no information
of the time spent by its counsel. Failing
it ~~there~~ could have done. Failing to
do so leaves an attack on the time
spent of little value. See Risotto v
St. John Mutual (2003), 64 O.R. (3d)
135 and Freyer v. Hankinjo 2010 ONCA
249.

Taking into account the factors in rule
57.01, including what could reasonably
be anticipated to have to be paid, a reasonable

Court File Number: _____

Superior Court of Justice
Commercial List

FILE/DIRECTION/ORDER

Judges Endorsment Continued

amount of costs is \$15,750 plus HST
and disbursements claimed ~~plus~~ plus
HST.

These amounts are to be paid
within 30 days.

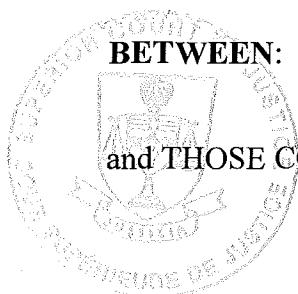
\$ Daniel J.

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

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

THE HONOURABLE MR JUSTICE
D.M. BROWN

)
)
)

WEDNESDAY, THE 18TH**DAY OF JUNE, 2014****BETWEEN:**

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

CLAIMS PROCEDURE ORDER

THIS MOTION, made by Schonfeld Inc. in its capacity as the Court-appointed manager (the "**Manager**") of certain companies listed in Schedule "B" to the Order of Justice Newbould dated November 5, 2013 (the "**Companies**") together with the real estate properties owned by the Companies (the "**Properties**"), as amended by Order of Justice Newbould dated January 16, 2014, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the 13th Report of the Manager dated June 12, 2014, and on hearing the submissions of counsel for the Manager and _____, and no one appearing for any other person on the service list:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record filed in support of this Motion be and it is hereby abridged such that the Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. The following terms shall have the following meanings ascribed thereto:
 - (a) **“Business Day”** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
 - (b) **“Claim”** means any right of any Person against the applicable Company in connection with any indebtedness, liability or obligation of any kind of the applicable Company, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, and including any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, employment agreement or other agreement (each a **“Claim”**, and collectively, the **“Claims”**), provided however, that **“Claim”** shall not include an Excluded Claim;
 - (c) **“Claimant”** means any Person asserting a Claim;
 - (d) **“Claims Bar Date”** means 4:00 p.m. (Toronto Time) on the date that is 30 days from the applicable Claims Notice Date, or such later date as may be ordered by the Court;

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- (e) **"Claims Notice Date"** means the date on which the Manager sends the Proof of Claim Document Package to the Known Creditors of the applicable Company pursuant to paragraph 5(a) this Order;
- (f) **"Claims Process"** means a process for the purposes of identifying and determining Claims of Creditors of a particular Company against such Company commenced and conducted by the Manager in accordance with the terms of this Order;
- (g) **"Companies"** shall have the meaning ascribed to such term in the recitals hereto;
- (h) **"Court"** means the Ontario Superior Court of Justice;
- (i) **"Creditor"** means any Person having a Proven Claim;
- (j) **"Dispute Notice"** means a written notice to the Manager, in substantially the form attached as Schedule "G" hereto, delivered to the Manager by a Claimant who has received a Notice of Disallowance, of its intention to dispute such Notice of Disallowance and provide further evidence to support its claim;
- (k) **"Excluded Claim"** means the following claims, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown:
 - (i) claims secured by any court-ordered charge in these proceedings;
 - (ii) claims between any two of the Companies or between any of the Companies and any of the Applicants or Respondents;
 - (iii) claims by any of the Applicants or the Respondents, including those arising from the disputes between the Applicants and the Respondents that are the subject of other litigation in these proceedings; and,
 - (iv) to the extent not already included in (iii) above, any claims arising from or relating to an equity interest in the Companies, including but not limited to

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the ownership of shares issued by the Companies or the right to acquire or receive shares in the capital of the Companies.

- (l) **“Instruction Letter”** means the instruction letter to Claimants, in substantially the form attached as Schedule “D” hereto;
- (m) **“Known Creditors”** means:
 - (i) those Creditors which the books and records of the applicable Company disclose were owed monies by the applicable Company as of five Business Days prior to the Claims Notice Date and which monies remain unpaid in whole or in part;
 - (ii) any Person who commenced a legal proceeding against the applicable Company which legal proceeding was commenced and served upon the applicable Company prior to five Business Days prior to the Claims Notice Date;
 - (iii) any Person who is party to a lease, contract, employment agreement or other agreement of the applicable Company which was terminated or disclaimed by the applicable Company prior to five Business Days prior to the Claims Notice Date other than Persons whose claim has been satisfied and released; and
 - (iv) any other Creditor actually known to the applicable Company as at five Business Days prior to the Claims Notice Date;
- (n) **“Manager”** shall have the meaning ascribed to such term in the recitals hereto;
- (o) **“Notice of Disallowance”** means the notice, in substantially the form attached as Schedule “F” hereto, advising a Claimant that the Manager has revised or rejected all or part of such Claimant’s Claim set out in the Proof of Claim;
- (p) **“Notice to Creditors”** means the notice to Creditors for publication in substantially the form attached as Schedule “C” hereto;

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- (q) **“Person”** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;
- (r) **“Proof of Claim”** means the form of Proof of Claim in substantially the form attached as Schedule “E” hereto;
- (s) **“Proof of Claim Document Package”** means a document package that includes a copy of the Instruction Letter, a Proof of Claim, and such other materials as the Manager may consider appropriate or desirable;
- (t) **“Properties”** shall have the meaning ascribed to such term in the recitals hereto;
- (u) **“Property Sale”** shall have the meaning ascribed to such term in paragraph 4 of this Order; and
- (v) **“Proven Claim”** means the amount of a Claim of a Creditor against the applicable Company as finally accepted and determined in accordance with the provisions of this Order.

MANAGER’S ROLE

3. THIS COURT ORDERS that the Manager, in addition to its rights and obligations under the Order of Justice Newbould dated November 5, 2013, as supplemented, amended or varied from time to time, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order.

COMMENCEMENT OF A CLAIMS PROCESS

4. THIS COURT ORDERS that, following the completion of the sale of a Company’s Property (each, a **“Property Sale”**), the Manager is hereby authorized, but not required, to commence and conduct a Claims Process, without further Order of the Court, in respect of such Company upon determination by the Manager, in its sole discretion, that such a Claims Process is appropriate in the circumstances, and the Manager shall

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commence and conduct each such Claims Process in accordance with the terms of this Order.

NOTICE TO CREDITORS

5. THIS COURT ORDERS that:

- (a) following the completion of a Property Sale and the determination by the Manager that a Claims Process in respect of the applicable Company is appropriate in the circumstances, the Manager shall post a copy of the Proof of Claim Document Package on <http://www.schonfeldinc.com> and deliver on behalf of the applicable Company to each of the Known Creditors of such Company (for which it has an address) a copy of the Proof of Claim Document Package;
- (b) the Manager shall cause the Notice to Creditors to be published in the National Post once on or before the date that is ten (10) days after the applicable Claims Notice Date; and
- (c) the Manager shall, provided such request is received prior to the applicable Claims Bar Date, deliver as soon as reasonably possible following receipt of a request, a copy of the Proof of Claim Document Package to any Person claiming to be a Creditor of the applicable Company and requesting such material.

CREDITORS' CLAIMS

6. THIS COURT ORDERS that Proofs of Claim shall be filed with the Manager and that any Creditor that does not file a Proof of Claim in respect of all of its Claims as provided for herein such that such Proof of Claim is received by the Manager on or before the applicable Claims Bar Date (a) shall be and is hereby forever barred from making or enforcing any Claim against the applicable Company; and (b) shall not be entitled to any further notice, or to participate as a creditor in these proceedings.

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DETERMINATION OF CLAIMS

7. THIS COURT ORDERS that the amount and status of every Claim of a Creditor as finally determined in accordance with this Order, including any determination as to the nature, amount, value, priority or validity of any Claim shall be final for all purposes, including without limitation for any distribution made to Creditors of the applicable Company pursuant to further Order of the Court.

PROOFS OF CLAIM

8. THIS COURT ORDERS that:
- (a) the Manager may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Proofs of Claim; and
 - (b) any Claims denominated in any currency other than Canadian dollars shall, for the purposes of this Order and the applicable Claims Process, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Manager using the Bank of Canada noon spot rate as at the applicable Claims Bar Date.

REVIEW OF PROOFS OF CLAIM

9. THIS COURT ORDERS that the Manager shall review all Proofs of Claim filed on or before the applicable Claims Bar Date and shall accept or disallow (in whole or in part) the amount and/or status of the Claim set out therein. At any time, the Manager may request additional information with respect to the Claim, and may request that the Creditor file a revised Proof of Claim. The Manager shall notify each Claimant who has delivered a Proof of Claim by the applicable Claims Bar Date as to whether such Claim has been revised or rejected, and the reasons therefor, by sending a Notice of Disallowance.

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10. THIS COURT ORDERS that, where a Claim has been accepted by the Manager as a Proven Claim, such Claim shall constitute such Creditor's Proven Claim for all purposes, including for the purposes of distribution by the Manager pursuant to further Order of the Court.
11. THIS COURT ORDERS that, where a Claim has been disallowed (in whole or in part), the disallowed Claim (or disallowed portion thereof) shall not be a Proven Claim unless the Claimant has disputed the disallowance and proven the disallowed Claim (or portion thereof) in accordance with paragraphs 12 to 16 of this Order.

DISPUTE NOTICE

12. THIS COURT ORDERS that any Claimant who intends to dispute a Notice of Disallowance shall file a Dispute Notice with the Manager as soon as reasonably possible but in any event such that such Dispute Notice shall be received by the Manager on or before 4:00 p.m. (Toronto Time) on the day that is fourteen (14) days after the Manager sends the Notice of Disallowance in accordance with paragraph 19 of this Order. The filing of a Dispute Notice with the Manager within the time set out in this paragraph shall constitute an application to have the amount or status of such Claim determined as set out in paragraphs 14 to 16 of this Order.
13. THIS COURT ORDERS that where a Claimant that receives a Notice of Disallowance fails to file a Dispute Notice with the Manager within the time limit set out in paragraph 12 of this Order, the amount and status of such Claimant's Claim shall be deemed to be as set out in the Notice of Disallowance and such amount and status, if any, shall constitute such Claimant's Proven Claim.

RESOLUTION OF CLAIMS

14. THIS COURT ORDERS that as soon as practicable after the delivery of the Dispute Notice to the Manager, the Claimant and the Manager shall attempt to resolve and settle the Claimant's Claim.

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15. THIS COURT ORDERS that in the event that the dispute between the Claimant and the Manager is not settled within a time period or in a manner satisfactory to the Manager, the Manager may bring the dispute before the Court for determination.
16. THIS COURT ORDERS that the determination of a Claim by the Court shall be final and binding for all purposes.

NOTICE OF TRANSFEREES

17. THIS COURT ORDERS that if, after November 5, 2013, the holder of a Claim on November 5, 2013, or any subsequent holder of the whole of a Claim, transfers or assigns the whole of such Claim to another Person, neither the applicable Company nor the Manager shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Claim as the Claimant in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Manager, at least five (5) Business Days prior to any distribution by the Manager pursuant to a further Order of the Court, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to receipt by the Manager of satisfactory evidence of such transfer or assignment.

DISTRIBUTION

18. THIS COURT ORDERS that the distribution to Creditors of any funds held by the Manager in respect of the sale of any of the Properties in these proceedings shall be subject to further Order(s) of the Court. Nothing herein shall prevent the Manager from seeking an order, by way of motion on notice to the Applicants and Respondents and affected parties, authorizing a partial distribution to satisfy, in whole or in part, Proven Claims with respect to any of the Companies, prior to any final determination of the Excluded Claims.

SERVICE AND NOTICE

19. THIS COURT ORDERS that the Manager shall be at liberty to deliver the Proof of Claim Document Package, and any letters, notices or other documents to Creditors, Claimants or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the applicable Company and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by mail, on the second Business Day after mailing.
20. THIS COURT ORDERS that any notice or other communication (including, without limitation, Proofs of Claim and Dispute Notices) to be given under this Order by a Claimant or a Creditor to the Manager shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:

Schonfeld Inc.
Court-appointed Manager of the Companies
438 University Avenue
21st Floor
Toronto, ON M5G 2K8

Attention: S. Harlan Schonfeld
Telephone: 416-862-7785, Extension 1
E-mail: harlan@schonfeldinc.com
Fax: 416-862-2136

Any such notice or other communication by a Claimant or Creditor shall be deemed received only upon actual receipt thereof by the Manager during normal business hours on a Business Day.

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MISCELLANEOUS

21. THIS COURT ORDERS that nothing in this Claims Procedure Order shall be taken to determine the priorities between the claims made in the Notice of Application in this proceeding and the Proven Claims of any Creditor.
22. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Manager and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Manager, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Manager and its agents in carrying out the terms of this Order.



6317672.4

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



JUN 19 2014

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.

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 Ltd.
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. Royal Gate Nominee Inc.
29. Royal Gate (Land) Nominee Inc.
30. Dewhurst Development Ltd.
31. Eddystone Place Inc.

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- 32. Richmond Row Holdings Ltd.
- 33. El-Ad (1500 Don Mills) Limited
- 34. 165 Bathurst Inc.

SCHEDULE C

NOTICE TO CREDITORS OF [THE COMPANY], BEING THE FORMER OWNER OF THE PROPERTY MUNICIPALLY KNOWN AS [ADDRESS] (hereinafter referred to as the "Company")

RE: NOTICE OF CLAIMS PROCESS AND CLAIMS BAR DATE

NOTICE IS HEREBY GIVEN that pursuant to an Order of the Ontario Superior Court of Justice made ●, 2014 (the "**Claims Procedure Order**"), a claims process has been commenced for the purpose of identifying and determining Claims against the Company.

PLEASE TAKE NOTICE that the claims process applies only to the Claims described in the Claims Procedure Order. The Company's creditors should have received Proof of Claim Document Packages, if those creditors are known to the Company and if the Company has a current address for such creditors. Any creditor who has not received a Proof of Claim Document Package and who believes that he, she or it has a Claim against the Company under the Claims Procedure Order must contact the Manager by telephone (416-862-7785) or by fax (416-862-2136) in order to obtain a Proof of Claim form. Creditors may also obtain copies of the Claims Procedure Order and Proof of Claim forms from the Manager's website: <http://www.schonfeldinc.com>.

THE CLAIMS BAR DATE is 4:00 p.m. (Toronto Time) on [INSERT DATE, being 30 days from the Claims Notice Date pursuant to the Claims Procedure Order]. Completed Proofs of Claim must be received by the Manager by the Claims Bar Date. It is your responsibility to ensure that the Manager receives your Proof of Claim by the above-noted time and date.

CLAIMS OF CREDITORS WHO DO NOT FILE A PROOF OF CLAIM IN RESPECT OF SUCH CLAIMS BY THE CLAIMS BAR DATE SHALL BE FOREVER EXTINGUISHED AND BARRED.

DATED at Toronto this _____ day of _____, 2014.

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**SCHONFELD INC.,
in its capacity as Court-appointed
Manager of the Company**

SCHEDULE D**INSTRUCTION LETTER FOR THE CLAIMS PROCESS
FOR CREDITORS OF [THE COMPANY]**
(hereinafter referred to as the “Company”)**A. CLAIMS PROCESS**

By Order of the Ontario Superior Court of Justice made ●, 2014 (the “**Claims Procedure Order**”), Schonfeld Inc., in its capacity as Court-appointed Manager, has been authorized to conduct a claims process in respect of Claims against the Company (the “**Claims Process**”). A copy of the Claims Procedure Order and other related information can be obtained from the Manager’s website: <http://www.schonfeldinc.com>.

This letter provides general instructions for completing a Proof of Claim form in connection with the Claims Process. Capitalized terms not defined within this instruction letter shall have the meaning ascribed thereto in the Claims Procedure Order.

The Claims Process is intended to identify and determine the amount of Claims against the Company. Please review the Claims Procedure Order for the full terms of the Claims Process.

If you have any questions regarding the Claims Process, please consult the website of the Court-appointed Manager provided above, or contact the Manager at the address provided below.

All notices and enquiries with respect to the Claims Process should be addressed to the Court-appointed Manager by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed at:

Schonfeld Inc.
Court-appointed Manager of the Company
438 University Avenue
21st Floor
Toronto, ON M5G 2K8

Attention: S. Harlan Schonfeld
Telephone: 416-862-7785, Extension 1
E-mail: harlan@schonfeldinc.com
Fax: 416-862-2136

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B. FOR CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against the Company, you must file a Proof of Claim with the Manager. The Proof of Claim must be received by the Manager **by 4:00 p.m. (Toronto Time) on [INSERT DATE, being 30 days from the Claims Notice Date pursuant to the Claims Procedure Order], the Claims Bar Date.** It is your responsibility to ensure that the Manager receives your Proof of Claim by the above-noted time and date.

IF YOU DO NOT FILE A PROOF OF CLAIM IN RESPECT OF ANY SUCH CLAIMS BY THE CLAIMS BAR DATE, YOUR CLAIMS SHALL BE FOREVER EXTINGUISHED AND BARRED.

All Claims denominated in a currency other than Canadian dollars shall be converted by the Manager to Canadian dollars at the Bank of Canada noon spot rate as at the Claims Bar Date.

C. ADDITIONAL PROOF OF CLAIM FORMS

Additional Proof of Claim forms and other related information, including the Claims Procedure Order establishing the Claims Process, can be obtained from the Manager's website at <http://www.schonfeldinc.com>, or by contacting the Manager at the telephone and fax numbers indicated above.

DATED at Toronto this _____ day of _____, 2014.

**SCHONFELD INC.,
in its capacity as Court-appointed
Manager of the Company**

SCHEDULE E

**PROOF OF CLAIM RELATING TO [THE COMPANY],
BEING THE FORMER OWNER OF THE PROPERTY MUNICIPALLY KNOWN AS
[ADDRESS]
(hereinafter referred to as "the Company")**

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____

(the "Creditor"). (Full legal name should be the name of the original Creditor of the Company, notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred).

2. Full Mailing Address of the Creditor (the original Creditor not the assignee):

3. Telephone Number: _____

4. E-Mail Address: _____

5. Facsimile Number: _____

6. Attention (Contact Person): _____

- 2 -

7. Has the Claim been sold or assigned by the Creditor to another party (check one)?

Yes: ☐ No: ☐

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

8. Full Legal Name of Assignee(s):

(If Claim (or a portion thereof) has been assigned, insert full legal name of assignee(s) of Claim (or portion thereof). If there is more than one assignee, please attach a separate sheet with the required information.)

9. Full Mailing Address of Assignee(s):

10. Telephone Number of Assignee(s): _____

11. E-Mail Address: _____

12. Facsimile Number: _____

13. Attention (Contact Person): _____

C. PROOF OF CLAIM:

I, _____
[name of Creditor or Representative of the Creditor], of

_____ do hereby certify:
(city and province)

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(a) that I (check one)

☐ am the Creditor of the Company; OR

☐ am _____ (state position or title) of

(name of Creditor)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Creditor asserts its claim against the Company; and

(d) the Company was and still is indebted to the Creditor \$ _____ : (Claims denominated in a currency other than Canadian dollars shall be converted by the Manager to Canadian Dollars at the Bank of Canada noon spot rate as at the Claims Bar Date.)

D. NATURE OF CLAIM

(check and complete appropriate category)

☐ A. UNSECURED CLAIM OF \$ _____

That in respect of this debt, I do not hold any security.

☐ B. SECURED CLAIM OF \$ _____

That in respect of this debt, I hold security valued at \$ _____ particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

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E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor(s) which has guaranteed the Claim, date and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Company to the Creditor and estimated value of such security.)

F. FILING OF CLAIM

This Proof of Claim must be received by the Manager by no later than 4:00 p.m. (Toronto Time) on [INSERT DATE, being 30 days from the Claims Notice Date pursuant to the Claims Procedure Order], the Claims Bar Date, by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

Schonfeld Inc.
Court-appointed Manager of the Company
438 University Avenue
21st Floor
Toronto, ON M5G 2K8

Attention: S. Harlan Schonfeld
Telephone: 416-862-7785, Extension 1
E-mail: harlan@schonfeldinc.com
Fax: 416-862-2136

FAILURE TO FILE YOUR PROOF OF CLAIM AS DIRECTED BY THE CLAIMS BAR DATE WILL RESULT IN YOUR CLAIM BEING BARRED AND IN YOU BEING PREVENTED FROM MAKING OR ENFORCING A CLAIM AGAINST THE COMPANY. In addition, you shall not be entitled to further notice, and shall not be entitled to participate as a creditor, in these proceedings.

Dated at _____ this ____ day of _____, 2014.

- 5 -

Signature of Creditor

SCHEDULE F

NOTICE OF DISALLOWANCE RELATING TO [THE COMPANY] (hereinafter referred to as “the Company”)

TO: [insert name and address of creditor]

The Court-appointed Manager hereby gives you notice that it has reviewed your Claim and has revised or rejected your Claim as follows:

	The Proof of Claim as Submitted	The Proof of Claim as Accepted
Claim		

A. Reasons for Disallowance or Revision:

[insert explanation]

If you do not agree with this Notice of Disallowance, please take notice of the following:

If you dispute this Notice of Disallowance, you must, by no later than 4:00 p.m. (Toronto Time) on [INSERT DATE, being fourteen (14) days after the Notice of Disallowance is sent by the Manager pursuant to the Claims Procedure Order], notify the Manager by delivery of a Dispute Notice to the following address:

Schonfeld Inc.
Court-appointed Manager of the Company
438 University Avenue
21st Floor
Toronto, ON M5G 2K8

Attention: S. Harlan Schonfeld
Telephone: 416-862-7785, Extension 1
E-mail: harlan@schonfeldinc.com
Fax: 416-862-2136

- 2 -

The form of Dispute Notice is enclosed. If you do not deliver a Dispute Notice by the above-noted time and date, your Claim shall be deemed to be as set out in this Notice of Disallowance.

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF DISALLOWANCE WILL BE BINDING UPON YOU.

DATED at Toronto, this ____ day of _____, 2014.

**SCHONFELD INC.,
in its capacity as Court-appointed
Manager of the Company**

SCHEDULE G

DISPUTE NOTICE RELATING TO [THE COMPANY] (hereinafter referred to as "the Company")

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: _____

(Signature of individual completing this
Dispute Notice)

Date

2. Full Mailing Address of the Creditor:

3. Telephone Number: _____

4. E-Mail Address: _____

5. Facsimile Number: _____

B. REASONS FOR DISPUTE:

We hereby give you notice of our intention to dispute the Notice of Disallowance dated _____, 2014.

(Provide full particulars of the Claim and supporting documentation. Attach additional page if necessary.)

- 2 -

This Dispute Notice must be returned by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission and be received by the Manager by no later than **4:00 P.M. (TORONTO TIME) ON [INSERT DATE, being fourteen (14) days after the Notice of Disallowance is sent by the Manager pursuant to the Claims Procedure Order]** at the following address:

Schonfeld Inc.
Court-appointed Manager of the Company
438 University Avenue
21st Floor
Toronto, ON M5G 2K8

Attention: S. Harlan Schonfeld
Telephone: 416-862-7785, Extension 1
E-mail: harlan@schonfeldinc.com
Fax: 416-862-2136

DBDC SPADINA LTD. ET AL

and

NORMA WALTON ET AL

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

Applicants

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

ORDER

GOODMANS LLP
Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Brian Empey LSUC#: 30640G
Mark Dunn LSUC#: 55510L
Tel: 416.979.2211
Fax: 416.979.1 234

Lawyers for the Manager

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



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE NEWBOULD

)
)
)

MONDAY, THE 25TH

DAY OF MAY, 2015

BETWEEN:

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

ORDER

THIS MOTION, made by Schonfeld Inc. in its capacity as the manager (the “**Manager**”) appointed pursuant to the Order of Justice Newbould dated November 5, 2013 (the “**November 5 Order**”) and pursuant to the Judgment and Order of Justice Brown dated August 12, 2014 (the “**August 12 Order**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the 32nd Report of the Manager dated May 11, 2015 (the “**Report**”), and on hearing the submissions of counsel for the Manager and the Applicants, no one appearing for any other person on the service list:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that the Manager is hereby authorized to make an interim distribution of proceeds in respect of approved claims to secured and unsecured creditors as set out in Appendix A hereto.
3. THIS COURT ORDERS that, notwithstanding paragraph 2 above, the payment to Christine DeJong Medical Professional Corporation from Prince Edward Properties Ltd. listed in Appendix "A" hereto shall be delayed pending consent of the Applicants or further Order of the Court.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

MAY 27 2015



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.

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 Ltd.
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. Royal Gate Nominee Inc.
29. Royal Gate (Land) Nominee Inc.
30. Dewhurst Development Ltd.
31. Eddystone Place Inc.
32. Richmond Row Holdings Ltd.

- 33. El-Ad (1500 Don Mills) Limited
- 34. 165 Bathurst Inc.

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

"Appendix A"

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Schedule B Corporations and Schedule C Corporations
Proposed Distribution Schedule
as at May 8, 2015

	SCHEDULE B CORPORATIONS			SCHEDULE C CORPORATIONS		
	Ascalon Lands	Bannockburn Lands	Northern Dancer Lands	Cecil Lighthouse	Prince Edward Properties	The Old Apothecary
PROCEEDS HELD IN TRUST						
GIC on deposit	112,596.75	908,872.17	204,956.32	895,308.03	741,501.97	271,428.82
Funds paid into Court by mortgagee for lien claims			224,342.43			
Approved and allocated fees not yet transferred	(88,848.29)		(111,520.22)	(56,037.55)	(47,469.52)	(61,640.99)
Reserve for future professional fees and funding	(7,000.00)	(200,000.00)				
TOTAL PROCEEDS AVAILABLE	16,748.46	708,872.17	317,778.53	839,270.48	694,032.45	209,787.83
CLAIMS FILED						
Deemed trust						
Canada Revenue Agency	0.00	0.00	572.00	0.00	9,649.29	71,092.63
Secured						
Lien claimants	0.00	0.00	279,339.26	2,041.06	47,697.69	
Unsecured						
Canada Revenue Agency			29.41		564.07	16,542.88
Shareholder loan					816,019.00	
Trade creditors	47,925.18	257,611.85	993,300.43	9,501.79	21,739.41	45,804.10
Total Claims Filed	47,925.18	257,611.85	1,273,241.10	11,542.85	895,669.46	133,439.61
DISALLOWED BY MANAGER						
Secured						
Lien claimants	0.00	0.00	(98,138.44)	(408.21)	(9,539.54)	
Unsecured						
Trade creditors	0.00	(3,356.96)	(950,735.00)			
Total Disallowed by Manager	0.00	(3,356.96)	(1,048,873.44)	(408.21)	(9,539.54)	0.00
DISALLOWANCE DISPUTED BY CREDITOR						
Secured						
Lien claimants	0.00	0.00	83,480.36	0.00	0.00	0.00
Unsecured						
Trade creditors	0.00	0.00	950,735.00	0.00	0.00	0.00
Total Disputes	0.00	0.00	1,034,215.36	0.00	0.00	0.00
POTENTIAL CLAIMS (Filed - Disallowed + Disputed)	47,925.18	254,254.89	1,258,583.02	11,134.64	886,129.92	133,439.61

RECOMMENDATION

Payment of Deemed Trust	0.00	0.00	572.00	0.00	9,649.29	71,092.63
Payment of Secured Claims	0.00	0.00	181,200.82	1,632.85	38,158.15	0.00
Payment of Approved Unsecured Claims	16,748.46	254,254.89	0.00	9,501.79	646,225.01	62,346.98
Total Recommended Distribution	16,748.46	254,254.89	181,772.82	11,134.64	694,032.45	133,439.61
Percentage payout on Approved Unsecured Claims	34.9%	100.0%	0.0%	100.0%	77.1%	100.0%
Percentage payout on Total Claims Filed	34.9%	98.7%	14.3%	96.5%	77.5%	100.0%

Notes:

Northern Dancer - single large disputed claim for \$950,735

Prince Edward Properties - shareholder has unsecured shareholder loan

DBDC SPADINA LTD. ET AL

and

NORMA WALTON ET AL

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

Applicants

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

ORDER

GOODMANS LLP

Barristers & Solicitors

333 Bay Street, Suite 3400

Toronto, Canada M5H 2S7

Brian Empey LSUC#: 30640G

Mark Dunn LSUC#: 55510L

Tel: 416.979.2211

Fax: 416.979.1 234

Lawyers for the Manager

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

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 ON SCHEDULE B HERETO, TO BE
BOUND BY THE RESULT

**AFFIDAVIT OF BRIAN EMPEY
(Sworn November 27, 2015)**

I, BRIAN EMPEY, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a partner with the law firm of Goodmans LLP ("**Goodmans**"), counsel for Schonfeld Inc. (the "**Manager**") in its capacity as Court-appointed manager of the companies listed at Schedule "B" to the Order of Justice Newbould dated November 5, 2013 and in its capacity as Court-appointed receiver/manager of the properties listed at Schedule "C" to the Judgment and Order of Justice Brown dated August 12, 2014. Since January 31, 2014 (when Fred Myers was appointed a Judge of the Superior Court), I have been the lawyer at Goodmans with overall responsibility for this file. As such, I have knowledge of the matters hereinafter deposed to.
2. Attached hereto and marked as Exhibits "A" – "G" is a copy of each invoice rendered by Goodmans to the Manager in respect of the period from March 31, 2015 to November 1, 2015

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(the “**Goodmans Application Period**”). The invoices all reflect a write off for any word processing and secretarial overtime charges. The invoices have been redacted for confidentiality and/or privileged information where appropriate.


3. As is shown on the summary chart attached as Exhibit “H”, Goodmans expended a total of 564.2 hours in connection with this matter during the Goodmans Application Period, giving rise to fees and disbursements totalling \$307,382, including HST, as outlined in Exhibits “A” – “G”.

4. Goodmans’ rates and disbursements are consistent with those in the market for these types of matters. The hourly rates are adjusted annually at the beginning of the calendar year, and those adjustments for 2015 are reflected in our invoices for the period commencing January 1, 2015. Goodmans has had its rates and disbursements approved by this Honourable Court previously in this proceeding and in respect of similar services provided in various insolvency and restructuring files.

SWORN before me at the City of Toronto,
in the Province of Ontario, on this 27th day
of November, 2015.

A Commissioner for taking affidavits

Name:


Jesse Mighton
LSUC #672915


Brian Empey

This is Exhibit "A" referred to in the
affidavit of Brian Empey
sworn before me, this 27th
day of November, 2015.



A Commissioner for Taking Affidavits



Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

March 31, 2015

Schonfeld Inc.
3000 North Tower, TD Centre
77 King St. W.
PO Box 85
Toronto, ON
Canada M5K 1G8

ATTENTION: S. Harlan Schonfeld

OUR FILE NO. SFDI 140074

OUR INVOICE NO. 643103

GST/HST REGISTRATION NO. R119422962

Re: Manager

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
02/18/15	MAM	.50	Receive, review and comment on Affidavit for Dupont and correspond with client;
02/18/15	MAM	.30	Receive, review and comment on Affidavit for Dewhurst and correspond with client;
02/19/15	MAM	.20	Receive and review application for Dewhurst and provide comments
02/19/15	MAM	.20	Receive and review application for Dupont and provide comments
02/20/15	MAM	.40	Re: Eddystone properties; receive and review applications and affidavits and correspond with client
02/25/15	MAM	.20	Receive and review application and affidavit for 115 Skyway; correspond to client
02/25/15	MAM	.20	Receive and review application and affidavit for 1131A Leslie and correspond to client
03/02/15	MSD	2.80	Draft response to J. Copelovici; report re: Front Street; report re: 2454 Bayview; report re: Front Street.
03/02/15	BFE	.40	Reviewing motion record of Receiver, Ira Smith; reviewing draft Work Plan.
03/03/15	MSD	3.50	Call with client re: update; call with P. Veel re: various issues including



Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Invoice #643103 -- page 2

Date	TKID	Hours	Description
			funding motion; call with M. Sims; discussions with M. Shneer; revise Front Street letter to J. Copelovici; review motion materials.
03/03/15	BFE	3.50	Reviewing and commenting on draft Report re: Front Street Claims; reviewing and commenting on draft Report re: Academy Lands; reviewing and commenting on draft letter responding to further questions on Cityview (Copeloveci); conference call with H. Schonfeld, J. Merryweather, M. Dunn re: Front Street and other pending matters; telephone conference with M. Dunn and M. Schneer re: further comments; email to client re: Donald Discharge; telephone conferences with R. Fisher re: funding motion evidence; telephone conference with M. Sims (counsel to I. Smith) re: funding motion evidence; telephone conference and emails with M. Dunn re: funding motion evidence.
03/03/15	MBS	3.20	Conference call with H. Schonfeld, J. Merryweather, B. Empey, and M. Dunn re: updates on fee approval motion, Cityview, Academy Lands report; revising Academy Lands report re: J. Merryweather's comments; revising response letter to J. Copelovici; reviewing motion for fee approval; email exchange with M. Dunn re: same.
03/04/15	MSD	2.70	Calls and emails re: funding motion with client, P. Veel; revise Academy lands report and Cityview answers; review transcript of examination of R. Walton and N. Walton.
03/04/15	BFE	1.10	Telephone conference with M. Dunn to discuss funding motion; emails with H. Schonfeld confirming instructions; reviewing and commenting on revised Academy Lands report.
03/04/15	MBS	.40	Revising Academy Lands Report re: B. Empey and M. Dunn's comments.
03/05/15	MSD	7.50	Prepare for and attend funding motion; revise Cityview letter; e-mails re: Academy lands; calls with H. Schonfeld and B. Empey re: motion and next steps.
03/05/15	BFE	.20	Emails re: funding motion.
03/05/15	KEH	.20	Exchange emails with broker re: status of 346A Jarvis Street agreement.
03/06/15	BFE	.30	Responding to email from J. Simpson re: effect of December 17, 2014 Discharge Order and 3270 American Drive.
03/06/15	CEF	.70	Compiling twenty-fifth report of the manager; attending at offices of Schonfeld Inc.; meeting with H. Schonfeld re: executing twenty-fifth report of the manager.

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Date	TKID	Hours	Description
03/06/15	KEH	.80	Meeting with H. Schonfeld and M. Dunn; discuss 346A Jarvis Street extension agreement; follow-up meeting with G. Lauzon to discuss due diligence with respect 346 Jarvis Street property; execute extension agreement and forward same on behalf of H. Schonfeld to buyer for 346A Jarvis property.
03/06/15	MBS	.60	Compiling Report and Appendices re: Academy Lands per H. Schonfeld's signature; coordinating same; meeting with M. Dunn re: work plan.
03/07/15	MSD	2.30	Revise Front Street report per H. Schonfeld; revise motion material re: academy; revise letter to J. Copelovici.
03/08/15	MBS	.50	Drafting Notice of Motion re: Academy Lands.
03/09/15	MSD	1.80	Finalize and send letter to J. Copelovici; revise and circulate Front Street report; finalize and serve academy lands report.
03/09/15	KEH	.20	Exchange emails throughout the day with respect to removing court order from 346 Jarvis Street property.
03/09/15	GLL	.40	346 Jarvis, Unit C: subsearch title; email copies of registered orders to M. Dunn; email updated parcel register to B. Grossman; telephone call to the Land Registry Office to have an order deleted from the parcel register.
03/09/15	GLL	.20	346 Jarvis, Unit A: receipt and review of amendment to agreement of purchase and sale.
03/09/15	GLL	.20	346 Jarvis, Units A, B and F: search for and obtain assessment roll numbers for P. Macdonald.
03/09/15	PM	.60	Telephone call to Tax Department and to MPAC re: 346 Jarvis; emails to and from G. Lauzon; order Building Reports.
03/09/15	MBS	.30	Finalizing Motion Record re: advice and directions of 2454 Bayview; serving same.
03/09/15	NCS	.30	Emails with M. Dunn, G. Lauzon re: registered notice of Court Order; discussion with G. Lauzon re: potential LRO discharge of initial Court order; discussion with G. Lauzon re: process for discharging further notice of Court order and potential need for further Court order.
03/10/15	MSD	1.10	Call with H. Schonfeld re: Front Street; call with J. Merryweather re: same; revise Front Street report.
03/10/15	BFE	.60	Reviewing and commenting on draft report re: Front Street; reviewing

Goodmans^{LLP}

Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Invoice #643103 -- page 4

Date	TKID	Hours	Description
			correspondence from D Brooker re: The West Mall and email thoughts to M. Dunn.
03/10/15	KEH	.20	Exchange emails with insolvency solicitor re: order registered against 346 Jarvis Street.
03/11/15	MSD	1.00	Call with S. Roy re: various issues including academy lands and DuPont appeal; call with DuPont real estate counsel re: waiver request; review letter from D. Booker and related cash flows; e-mails with client and B. Empey re: same.
03/11/15	BFE	.30	Further emails to M. Dunn re: The West Mall.
03/11/15	KEH	.20	Exchange emails with solicitor for mortgagee at 346 Jarvis Street property; exchange emails with H. Schonfeld re: purchase of separate unit as 346 Jarvis Street property.
03/11/15	GLL	.20	346 Jarvis, Unit C: numerous email regarding court order to delete court order registered on title.
03/13/15	MSD	4.50	Call between M. Dunn and client re: various issues and next steps; revising Front Street report; e-mails from B. Grossman re: Carreiro; drafting report re: Carreiro properties.
03/13/15	BFE	.20	Discussing Front Street report with M. Dunn.
03/13/15	GSE	.50	Discussion with M. Dunn; instructions to V. Hui; discussion.
03/13/15	VNH	2.10	Researching cases for G. Ernst re: priority of CRA's claims over unremitted GST relative to construction liens.
03/15/15	BFE	.40	Reviewing and commenting on draft Front Street Report.
03/16/15	MSD	3.20	Revising Front Street report; drafting report re: disputed properties; calls between M. Dunn, H. Schonfeld and J. Merryweather.
03/16/15	GSE	.60	Research re: priorities; e-mail to M. Dunn.
03/16/15	KEH	.20	Exchange emails re: 346 Jarvis Street, Unit (F) purchase agreement.
03/16/15	GLL	.20	346 Jarvis, Unit C: numerous email; draft ereg application to amend based on court order and acknowledgement and direction.
03/17/15	MSD	5.50	Finalizing Front Street distribution reports; revising Notice of motion re: same; drafting and revising materials re: disputed properties; reviewing claim against Northern Dancer; correspondence between M. Dunn and J.

Invoice #643103 -- page 5

Date	TKID	Hours	Description
			Merryweather; meeting between M. Dunn and H. Schonfeld.
03/17/15	KEH	.30	Exchange emails re: sale of 346 Jarvis Street units.
03/17/15	GLL	.50	346 Jarvis, Unit F: numerous email; subsearch title; draft agreement of purchase and sale.
03/17/15	GLL	.50	346 Jarvis, Unit B: numerous email; subsearch title; draft agreement of purchase and sale.
03/17/15	PM	.10	Review of off-title correspondence re: Jarvis Street.
03/18/15	JRC	.60	Delivering documents for signature of Mr. Schonfeld for M. Dunn.
03/18/15	MSD	3.30	Revising report re: disputed properties, Order re: disputed properties and report; arranging service of same; calls between M. Dunn, S. Roy, J. Birch and A. Lee.
03/18/15	KEH	.20	Exchange emails re: post-closing matters at 324 Prince Edward.
03/18/15	GLL	.40	Unit C, 346 Jarvis: discussions with M. Dunn; draft Court Order.
03/18/15	MBS	1.70	Revising Notice of Motion re: distribution of proceeds of sale of Front St; drafting Notice of Motion re: release of Jarvis, Broadview and Tennis properties; updating service list; email exchange with M. Dunn re: same.
03/19/15	MSD	2.20	Preparing for and attending chambers appointment re: Twin Dragons claim and scheduling disputed properties motion.
03/20/15	BFE	.40	Update call with M. Dunn; correspondence re: sale of Kelvin.
03/20/15	KEH	.70	Receipt of numerous emails and telephone discussions with real estate agent with respect to 346 Jarvis Street, Unit (A) property; discussions with H. Schonfeld re: same; review purchase agreement due to buyer's request re: existing Writ of execution; exchange emails with M. Dunn.
03/20/15	MBS	1.20	Conference call with the Court re: scheduling motion for release of disputed properties; email exchange with M. Dunn re: same; email exchange with M. Dunn re: small claims court date; email exchange with J. Merryweather re: service of claimants per Front St property.
03/23/15	JRC	1.10	Reviewing and cross-referencing service list re: motion to distribute proceeds for M. Shneer; meeting with M. Dunn re: small claims court appearance on 27/03/15.
03/23/15	JCC	.70	Office conference with M. Dunn; review correspondence from J.

Invoice #643103 -- page 6

Date	TKID	Hours	Description
			Merryweather to M. Dunn; begin review of materials re: MHBC and Spectra Engineering.
03/23/15	MSD	3.30	Call with P. Fruitman re: funding issues and order; call with counsel to NBS re: small business loan and personal claim; instruct J. Cohen re: small claims court; discussions with M. Shneer re: Front Street motion and small claims court; review Northern Dancer claims; e-mail with J. Merryweather.
03/23/15	BFE	.20	Advising J. Merryweather re: late claim on Cecil.
03/23/15	KEH	.30	Exchange emails with broker re: status of purchase and sale agreement for 346 Jarvis Street property; emails to M. Dunn re: Vesting Order; email to client re: late waiver.
03/23/15	MBS	.70	Instructing student re: cross reference Front St. creditors to those already served; serving additional Front St. creditors; instructing student re: small claims matter.
03/24/15	JCC	1.50	Continue review of Proofs of Claim and supporting materials re: Spectra Engineering and MacNaughten Planning re: 140 Queens Plate Drive; letter to J. Merryweather; review email from M. Dunn.
03/24/15	KEH	.30	Telephone discussions with H. Schonfeld re: 346 Jarvis Street agreement of purchase and sale and discuss concern that waiver deadline had past.
03/24/15	PM	.20	Obtain instrument for J. Cosentino.
03/24/15	MBS	.80	Interoffice conference with Court re: scheduling motion for vesting order in respect of Jarvis property; email exchange with H. Schonfeld re: copies of marketing report, sale and purchase agreement and amendments; conference call with M. Dunn re: same.
03/25/15	JRC	1.80	Preparing for small claims settlement conference on 27/03/15 re: Cityview Industrial Ltd.; meeting with M. Dunn on same; corresponding with S. Ursino (paralegal for Cityview).
03/25/15	MSD	1.10	Review and respond to L. Zimmerman e-mail; call with J. Merryweather; instruct J. Cohen re: Cityview settlement claim.
03/25/15	KEH	1.20	Exchange emails with H. Schonfeld; draft revival agreement with respect to Unit (A) for 346 Jarvis Street ; forward same to broker for signature by purchaser; receipt of new offer for Unit (B) and briefly review same. meet with G. Lauzon to review and revise registered security opinion for Unit (A) for 346 Jarvis Street.



Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

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Date	TKID	Hours	Description
03/25/15	GLL	1.40	Unit A, 346 Jarvis: subsearch title; search executions; draft security review letter.
03/26/15	JRC	1.70	Preparing for small claims settlement conference on 27/03/15 for M. Dunn: reviewing materials, communicating with counsel and with S. Ursino (paralegal!), preparing document brief.
03/26/15	JCC	1.50	Receipt and review of correspondence from J. Merryweather (x4); begin review of materials re: Melillo Architect and Cecil Lighthouse; review "abandonment" of contract issue re: S.31 of CLA.
03/26/15	MSD	2.70	Preparing for and attending motion re: disputed properties; discussion with H. Schonfeld re: Jarvis; discussion with P. Fruitman
03/26/15	KEH	.90	Discuss status of file and new offer for Unit B 346 Jarvis Street with H. Schonfeld; meeting with G. Lauzon re: lifting of execution from Unit A 346 Jarvis Street; Discussions with M. Dunn re: same; exchange emails with broker for Unit A of 346 Jarvis Street re: purchase confirmation agreement.
03/26/15	GLL	.40	Unit A, 346 Jarvis: review revival, waiver and amending agreement; revisions to security review.
03/27/15	JRC	2.40	Attending small claims settlement conference for M. Dunn; drafting email summary of same.
03/27/15	JCC	1.30	Continue review of abandonment under CLA; email to J. Merryweather; office conference with M. Dunn; continue review of Proofs of Claim of Melillo Architect and Cecil Lighthouse.
03/27/15	KEH	.60	Discussions with G. Lauzon re: order; removing Court Order registered against Unit C, 346 Jarvis Street property; exchange emails re: status of purchase transactions; exchange a slew of emails re: new offer for Unit B, 346 Jarvis Street.
03/27/15	GLL	.20	Draft letter to Sheriff to lift execution.
03/27/15	JHS	.20	Attending to e-reg matter re: application to delete based on court order - 246 Jarvis Street.
03/28/15	GLL	2.50	Unit A, 346 Jarvis: draft closing documents.
03/28/15	MBS	3.80	Drafting Manager's Report and Notice of Motion re: motion for vesting order in respect of Jarvis Property; reviewing appendices; email exchange with H. Schonfeld.

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Invoice #643103 -- page 8

Date	TKID	Hours	Description
03/30/15	JCC	.70	Finalize revisions and additions to Lien Claimant Chart; letters to J. Merryweather; receipt and review of correspondence from J. Merryweather (x2).
03/30/15	MBS	5.60	Revising Manager's Report re: section on marketing efforts; email exchange with M. Dunn re: attaching Manager's Report for motion seeking a vesting order in respect of Jarvis Property; email exchange with G. Lauzon re: draft vesting Order; drafting Manager's Report re: fee approval.

OUR FEE**\$64,909.50**

TKID	NAME	HOURS	RATE	TOTAL
BFE	Empey, Brian F.	7.60 hrs	\$850.00	\$6,460.00
GSE	Ernst, Glenn S.	1.10 hrs	\$950.00	\$1,045.00
JCC	Cosentino, Joe	5.70 hrs	\$785.00	\$4,474.50
JHS	Shore, Jeffrey	0.20 hrs	\$850.00	\$170.00
KEH	Herlin, Ken	6.30 hrs	\$885.00	\$5,575.50
MAM	Muskat, Melissa	2.00 hrs	\$785.00	\$1,570.00
MSD	Dunn, Mark	48.50 hrs	\$605.00	\$29,342.50
MBS	Shneer, Michel	18.80 hrs	\$515.00	\$9,682.00
NCS	Staebitz, Nick	0.30 hrs	\$560.00	\$168.00
GLL	Lauzon, Gloria	7.10 hrs	\$435.00	\$3,088.50
PM	MacDonald, Paula	0.90 hrs	\$255.00	\$229.50
CEF	Fox, Carlie	0.70 hrs	\$290.00	\$203.00
JRC	Cohen, Jesse-Ross	7.60 hrs	\$290.00	\$2,204.00
VNH	Hui, Vanessa	2.10 hrs	\$290.00	\$609.00
DA	Clerk, Litigation	1.10 hrs	\$80.00	\$88.00
				\$64,909.50

DISBURSEMENTS

Telephone - Long Distance
Clearance - Building / Zoning

7.78
410.43

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Invoice #643103 -- page 9

Registration Fee	60.00
Filing Fees	10.00
Copies	539.00
Certificate - Execution	28.00
Meals	15.82
Conference Calls	14.56
Set Down Motion	127.00
Delivery - Courier	44.48
Search - Sub	101.00

TOTAL DISBURSEMENTS	\$1,358.07
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TOTAL FEES ON THIS INVOICE	\$64,909.50
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HST ON FEES	8,438.24
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NON TAXABLE DISBURSEMENTS	187.00
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TAXABLE DISBURSEMENTS	1,171.07
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TOTAL DISBURSEMENTS ON THIS INVOICE	\$1,358.07
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HST ON TAXABLE DISBURSEMENT	152.24
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TOTAL THIS INVOICE (CANADIAN DOLLARS)	\$74,858.05
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TRUST FUNDS	\$2,465,094.78
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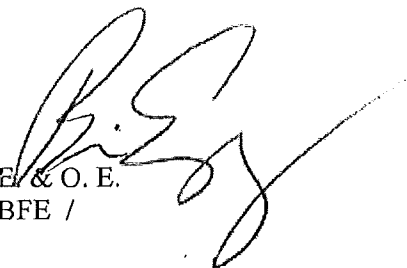
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Invoice #643103 -- page 10

THIS IS OUR ACCOUNT HEREIN
GOODMANS LLP


E. & O. E.
BFE /

This invoice may not reflect all time and disbursements incurred on this matter to date. It is payable upon receipt and in accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.30% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

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PAYMENT OPTIONS

**Cheque payable to GOODMAN'S LLP - mailed to our office; OR
by Wire Transfer - to Goodmans account:**

Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
<u>Beneficiary Bank:</u>	004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Brian F. Empey, Matter # 140074, Invoice # 643103 (Please include all invoice numbers)

*****Please also email Wire Payment Details to: collections@goodmans.ca***

This is Exhibit "B" referred to in the
affidavit of Brian Empey
sworn before me, this 27th
day of November, 2015.



A Commissioner for Taking Affidavits

Goodmans ^{L.P.}

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April 29, 2015

Schonfeld Inc.
3000 North Tower, TD Centre
77 King St. W.
PO Box 85
Toronto, ON
Canada M5K 1G8

ATTENTION: S. Harlan Schonfeld

OUR FILE NO. SFDI 140074

OUR INVOICE NO. 644738

GST/HST REGISTRATION NO. R119422962

Re: Manager

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
03/30/15	MSD	1.60	Reviewing report re: fee approval; sale approval for 346 Jarvis; emailing with J. Copelovici re: fee approval motion.
03/30/15	BFE	.70	Reviewing emails from J. Copelovici re: Cityview; internal email discussion re: proceeds from sale of 2 Kelvin; emails with Manager and M. Dunn re: request from Lax O'Sullivan and re: various matters.
03/30/15	KEH	.90	Discussions with H. Schonfeld; revise agreement of purchase and sale and schedule for Unit B, 346 Jarvis Street; forward same to S. Chu; exchange emails with M. Dunn and G. Lauzon re: Vesting Order for 346 Jarvis Street; discussions with G. Lauzon; exchange partially executed copy of the purchase agreement.
03/31/15	MSD	.80	Reviewing report re: Jarvis; emailing between M. Dunn and client re: various issues including payment of expenses and order; Discussions between M. Dunn and M. Shneer.
03/31/15	BFE	.70	Discussing letter from Torkin Manes re: sale of 3270 American Way with M. Dunn and further email with client re: same; reviewing Newbould endorsement re: Norma funding and advise client by email.
03/31/15	KEH	.50	Receipt of deposit cheque from purchaser of Unit B, 346 Jarvis Street and receipt of executed agreement of purchase and sale from purchaser of Unit B,

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Date	TKID	Hours	Description
			346 Jarvis Street; exchange emails with H. Schonfeld re: same; discussions with G. Lauzon receipt of settlement cheques from mortgagees of property.
03/31/15	MBS	3.20	Revising Manager's Report re: approval and vesting order in respect of 346 Jarvis, Unit A per M. Dunn and H. Schonfeld's comments; drafting email to counsel for 891 re: advising of sale of 346 Jarvis; email exchange with G. Lauzon re: security review.
04/01/15	BFE	.40	Emails with J. Merryweather re: The West Mall; emails with M. Dunn and with J. Merryweather re: fee allocation; reviewing and commenting on draft correspondence re: Norma funding payment proposal.
04/01/15	KEH	.50	Review closing documents with respect to Unit A, 346 Jarvis Street with G. Lauzon; exchange emails with working group re: statement of adjustments.
04/01/15	GLL	1.20	Draft closing documents; email to A. Villarin.
04/01/15	GLL	.50	Numerous email; arrangements for payment of funds with respect to 3765 St. Clair East and 140 Queen's Plate; update statement of receipt and disbursement of funds.
04/01/15	MBS	4.30	Meeting with H. Schonfeld re: finalize Twenty-Eighth Report of the Manager; revise Notice of Motion and draft Order re: M. Dunn's comments on motion for sale and vesting order in respect of 346 Jarvis, Unit A; drafting Affidavit of H. Schonfeld re: approval of fees and disbursements of the Manager; email exchange with M. Dunn re: amounts claimed by Manager in prior affidavit.
04/02/15	MSD	1.30	Emailing re: funding issue; serving Motion Record re: Jarvis; emailing re: American drive; reviewing correspondence from mortgagee counsel re: same.
04/02/15	KEH	.10	Exchange emails with broker re: status of agreement of purchase and sale for Unit A, 346 Jarvis Street.
04/02/15	MBS	.70	Compiling, finalizing, serving and filing Motion Record of the Manager re: motion for sale approval and vesting order in respect of 346 Jarvis, Unit A.
04/06/15	MSD	2.30	Telephone call between M. Dunn and client re: fee allocation motion; revising motion material re: further fee allocation.
04/06/15	BFE	.50	Discussing fee allocation and funding repayment schedule for post November period with J. Merryweather, H. Schonfeld, M. Dunn and M. Schneer.
04/06/15	GLL	.60	Unit A, 346 Jarvis: revisions to closing documents due to change in solicitor; telephone call and email to R. Ang regarding draft closing documents; message ereg transfer to R. Ang; prepare execution copies of closing

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Date	TKID	Hours	Description
			documents.
04/06/15	MJR	.50	Travelling to TD Centre to Commission Affidavit for H. Schonfeld; returning to office.
04/06/15	MBS	1.20	Conference call with J. Merryweather, B. Empey and M. Dunn re: schedule in respect of proposed allocation methodology; finalizing affidavit of H. Schonfeld re: fee approval.
04/07/15	KEH	.20	Exchange emails with working group re: status of vesting order and statement of adjustments with respect to Unit A, 346 Jarvis Street.
04/07/15	GLL	.40	Unit A, 346 Jarvis: numerous email; draft statement of adjustments.
04/07/15	MBS	3.20	Preparing for and attending Court re: motion for sale approval and vesting order in respect of 346 Jarvis St., Unit A; preparing memo to file re: attendance; circulating issued Order and Endorsement.
04/08/15	JCC	.50	Review Dispute Notice re: Spectre Engineering; letter to J. Merryweather.
04/08/15	MSD	4.80	Telephone call between M. Dunn, E. Park, S. Roy and client re: 44 Park Lane and other issues; drafting fee approval report; receiving and reviewing Cityview lien claimants' factum.
04/08/15	JAH	1.50	Compiling fee affidavit for M. Shneer.
04/08/15	KEH	.60	Telephone discussions with solicitor of purchaser for Unit B, 346 Jarvis Street property; pursuant to exchange of emails with H. Schonfeld and J. Merryweather extend due diligence date; exchange emails with client with respect to standard condominium fee.
04/08/15	GLL	1.20	A-346 Jarvis: receipt and review of approval and vesting order; revisions to Manager's Certificate; attend on execution of closing documents.
04/08/15	MBS	1.20	Email exchange with J. Merryweather, M. Dunn and B. Empey re: upcoming motions, close of Kelvin Property; revising Affidavit of B. Empey and compiling exhibits re: affidavit in support of fee approval; email exchange re: same.
04/09/15	JCC	.50	Office conference with M. Dunn; review Factum of Fox Contracting re: lien priority issues.
04/09/15	MSD	7.50	Drafting report re: fee approval; telephone call between M. Dunn and client; reviewing factum of Cityview lien claimants and draft response.

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Date	TKID	Hours	Description
04/09/15	BFE	.50	Reviewing and commenting on draft fee affidavit; reviewing and commenting on draft Twenty-Eighth Report.
04/09/15	JAH	5.20	Reviewing report for M. Shneer; Conducting research for M. Dunn re: construction liens.
04/09/15	KEH	.50	Discussions with J. Merryweather re: realty tax abatements and missing information; exchange emails re: closings of 346 Jarvis Street condominium units.
04/09/15	GLL	.20	5770-5780 Highway 7 West Vaughan: numerous email regarding realty tax refund; telephone conversation with K. van Vliet; revisions to direction to City.
04/09/15	GLL	.20	Discussions and email with J. Merryweather regarding instructions for distribution of trust funds.
04/10/15	MSD	5.40	Finalizing report; drafting factum re: Cityview.
04/10/15	BFE	.30	Swearing fee affidavit; discussing Front Street Distribution Motion with M. Dunn.
04/10/15	JAH	1.00	Conducting research for M. Dunn re: construction liens.
04/10/15	KEH	.30	Exchange emails with real estate agent re: closing of 346 Jarvis Street transactions and notification of change of counsel; discussion with G. Lauzon re: same.
04/10/15	MBS	1.30	Compiling Appendices to the 29th Report of the Manager; finalizing and serving the 29th Report of the Manager re: approval of fees; email exchange with J. Merryweather re: serve counsel for Blue Air in respect of motion for distribution of proceeds in respect of Front St. Property.
04/12/15	MSD	2.10	Drafting factum re: April 16 2015 motions.
04/13/15	JRC	.50	Reviewing and revising distribution list re: service of motion to distribute proceeds from 65 Front St. East (responding to request for information from A. Hui) for M. Shneer.
04/13/15	MSD	3.10	Telephone call between M. Dunn, A. Roy, and L. Aversa re: academy lands issue; revising factum re: fee approval motion.
04/13/15	JAH	.50	Delivering motion materials to court for M. Shneer.
04/13/15	KEH	1.10	Exchange emails throughout the day with purchaser for Unit B at 346 Jarvis

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Date	TKID	Hours	Description
			Street confirming payment of condominium fee and waiver of due diligence conditions; exchange emails with agents re: agreement of purchase and sale for Unit F at 346 Jarvis Street; meeting with G. Lauzon re: Planning Act concerns and reviewing registered consent to severance.
04/13/15	GLL	1.00	Unit F, 346 Jarvis: numerous email and conversations; subsearch title to 346 Jarvis confirm compliance of the various parcels with the Planning Act and to confirm which parts comprise the various parcels of tied land.
04/13/15	GLL	1.50	Unit A, 346 Jarvis: numerous email and conversations to confirm current solicitors for the Purchaser; email draft closing documents to Purchaser's solicitor; correspondence to Purchaser's Solicitor enclosing signed closing documents; draft record book index and assemble record book; update closing agenda.
04/13/15	GLL	4.50	Unit B, 346 Jarvis: numerous email regarding waiver of the conditions; subsearch title; search executions; draft security review; review agreement of purchase and sale; draft closing agenda and closing documents.
04/13/15	MJR	1.30	Meeting with M. Shneer re: Jarvis Unit B Property; drafting notice of motion and manager's report for Unit B property.
04/13/15	MBS	2.20	Drafting Notice of Motion re: Manager's motion for approval of fees and disbursements; email exchange with the Court re: request for additional dates to schedule various motions; serving and filing Manager's motion record re: motion for approval of fees and disbursements; instructing student re: motion materials in respect of approval of sale and vesting order for 346 Jarvis St., Unit B.
04/14/15	JCC	.40	Continue review of Factum of Cityview Lien Claimants re: CLA issues.
04/14/15	MSD	7.20	Drafting factum and preparing for oral argument re: April 16 2015 motions; telephone call between M. Dunn and client re: status of various matters; telephone call between M. Dunn and P. Shay re: Northern Dancer.
04/14/15	BFE	.60	Dealing with correspondence from S. Hobbs, counsel for Public Guardian; reviewing and commenting on draft Responding Factum.
04/14/15	KEH	1.50	Discussions with H. Schonfeld re: layout of units at 346 Jarvis Street property; meeting with G. Lauzon to discuss same; review and revise agreement of purchase and sale for Unit F for 346 Jarvis Street; discuss same with H. Schonfeld; forward same to real estate agent for signature; discussion with G. Lauzon re: closing of Unit A, 346 Jarvis Street and receipt of

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Date	TKID	Hours	Description
			requisitions in connection therewith.
04/14/15	GLL	.40	346 Jarvis: discussions with H. Schonfeld and K. Herlin regarding planning act matters and tied parcels of land; email to H. Schonfeld and J. Merryweather.
04/14/15	MBS	3.20	Drafting Factum re: section on Front St Property and motion for approval of fees in respect of motion returnable April 16, 2015; email exchange with M. Dunn re: same; email exchange with Commercial List re: scheduling motion dates in respect of 346 Jarvis Property, Unit B and distribution to creditors.
04/15/15	MSD	4.50	Preparing for hearing of motion; telephone call between M. Dunn and Corne; discussions between M. Dunn and M. Shneer.
04/15/15	BFE	.40	Emails with M. Dunn re: factum; receiving correspondence from J. Copelovici and discuss same by email and telephone conference with J. Wadden and M. Dunn.
04/15/15	JAH	5.70	Compiling supplementary book of authorities for M. Dunn; Delivering documents to commercial list for M. Dunn; Conducting research for M. Dunn re: marshalling.
04/15/15	KEH	1.40	Attempting to complete transaction for 346 Jarvis Street, Unit A; finalize agreement of purchase and sale for 346 Jarvis Street, Unit F; reviewing security opinion for 346 Jarvis Street, Unit B as well as closing documents in connection therewith; receipt of mortgage payout statements with respect to Unit A and Unit B from Bank of Nova Scotia; discussions with G. Lauzon and extend closing date for Unit A, 346 Jarvis Street; exchange emails throughout the day with real estate agent re: status of transaction; forward signed agreement for Unit F, 346 Jarvis Street to real estate agent; discussions with H. Schonfeld throughout the day re: same.
04/15/15	GLL	1.80	Unit A, 346 Jarvis: attend to pre-closing matters; numerous email; numerous telephone conversations with various employees of The Bank of Nova Scotia; receipt and review of mortgage statement; update statement of receipt and disbursement of funds; receipt and review of executed closing documents; receipt and review of requisition letter and draft response to requisition letter; receipt and review of executed closing documents; numerous conversations, email and negotiations regarding an extension of the closing date.
04/15/15	GLL	1.50	Unit B, 346 Jarvis: discussions with K. Herlin; revisions to security review and closing documents; email to M. Shneer, M. Dunn and H. Schonfeld regarding the security review; email to H. Waldman and F. Wicks regarding

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Date	TKID	Hours	Description
			the draft closing documents; receipt and review of commission statement and updated tax statement; numerous conversations with various employees of The Bank of Nova Scotia; receipt and review of mortgage statement; update statement of receipt and disbursement of funds.
04/15/15	MJR	1.80	Correspondence with M. Shneer; drafting notice of motion and manager's report for Jarvis Unit B Property; compiling appendices for manager's report.
04/15/15	MBS	4.20	Revising Factum re: responding to Cityview; preparing USB Key for Court re: enclosing all materials for Justice Newbould; serving and filing supplementary motion record; drafting Orders re: Manager's three motions returnable for April 16, 2015.
04/15/15	JNW	.40	Review correspondence; review Rules; telephone conversation with M. Dunn; email to B. Empey.
04/16/15	MSD	9.90	Preparing for and attending Fee Allocation and Approval Motion.
04/16/15	KEH	.90	Attend to closing of sale of 346 Jarvis Street, Unit A including emails throughout the day re: delays in wiring proceeds; discussions with G. Lauzon re: same; discussion with H. Schonfeld re: same and extension of closing date; responding to matters relating to sale of 346 Jarvis Street, Unit B including amendments to statement of adjustments; receipt of deposit with respect to 346 Jarvis Street, Unit F and deposit same.
04/16/15	GLL	2.50	Unit A, 346 Jarvis: attend to closing matters; numerous email and telephone conversations regarding wire of balance due on closing; receipt and review of executed closing documents; receipt and disbursement of closing funds; attach Manager's Certificate and Approval and Vesting Order to ereg Application for Vesting Order; assemble record book; correspondence to City of Toronto; correspondence to Chestnut Park Real Estate Ltd.; correspondence to The Bank of Nova Scotia; correspondence to T. Adewumi; correspondence to Schonfeld Inc.
04/16/15	MBS	9.80	Preparing for and attending Court re: Manager's motions for distribution of proceeds of Front St., fee approval and fee allocation methodology.
04/16/15	MBS	1.90	Drafting Thirtieth Report and Notice of Motion re: sale approval and vesting order in respect of 346 Jarvis St., Unit B.
04/17/15	MSD	.50	Telephone call between M. Dunn and K. Herlin re: Jarvis title issues; telephone call between M. Dunn and B. Empey re: update; drafting letter to the court.

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Date	TKID	Hours	Description
04/17/15	BFE	.30	Reviewing draft memo re: Jarvis Street Planning Act issues and email question to K. Herlin.
04/17/15	KEH	1.50	Discussions with H. Schonfeld to proceed with closing of sale of Unit A of 346 Jarvis Street. Discussions with mortgagee with respect to Unit E of 346 Jarvis Street; meeting with G. Lauzon and N. Staubit to discuss Planning Act concerns recently brought to light; receipt of memo from G. Lauzon re: same; e-mail to working group re: same.
04/17/15	GLL	.20	Unit F, 346 Jarvis: numerous email regarding planning act issues.
04/17/15	GLL	.20	Unit B, 346 Jarvis: numerous email with M. Shneer regarding copies of documents required for the motion for the approval and vesting order.
04/17/15	GLL	.20	Receipt and review of registered application for vesting order and confirmation the transaction is closed.
04/17/15	GLL	4.00	346 Jarvis: numerous email and conversations regarding Planning Act issues; subsearch title and prepare table regarding Planning Act issues;
04/17/15	MJR	1.50	Correspondence with M. Shneer; reviewing and revising notice of motion and managers report re: Jarvis Unit B Property; compiling appendices to thirtieth managers report.
04/17/15	NCS	4.90	Discussions with K. Herlin and G. Lauzon re: potential planning act concerns at 346 Jarvis; reviewing transfer documents, s.118 restriction; part lot control exemption by-law; reviewing and researching planning act; meeting with G. Lauzon to review subdivision issues; reviewing email from K. Herlin re: planning concerns; drafting memo re: same; reviewing vesting order; retrieving and reviewing case law re: planning act issues.
04/20/15	MSD	2.20	Meeting with client re: 346 Jarvis title issues, receive and review decision on fee allocation motion.
04/20/15	BFE	1.90	Meeting with H. Schonfeld, K. Herlin, M. Dunn re: Planning Act issues at Jarvis Street and other matters; receiving and reviewing Endorsement of Justice Newbould re: Fee Approval and Allocation; reviewing correspondence from R. Fisher.
04/20/15	KEH	1.60	Attend to meeting with H. Schonfeld, B. Empey, M. Dunn, G. Lauzon and N. Staubit to discuss the situation of 346 Jarvis Street and proper course of action.
04/20/15	GLL	.20	Unit B, 346 Jarvis: prepare execution copies of closing documents.

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Date	TKID	Hours	Description
04/20/15	GLL	.80	Update statement of receipts and disbursements of funds.
04/20/15	GLL	1.50	346 Jarvis; meeting regarding Planning Act issues.
04/20/15	NCS	4.80	Review and research re: Planning Act statements; reviewing transfers of Units A and B from 1780355 Ontario Inc. to Waltons; attending at meeting with K. Herlin, B. Empey, M. Dunn, G. Lauzon and client re: 346 Jarvis; reviewing case law re: equitable mortgages; reviewing case law re: curing effect of planning act statements; reviewing and researching definition of consent granted under the planning act; drafting memo re: 346 Jarvis.
04/21/15	KEH	.50	Discussions with N. Staubitz re: finalization of 346 Jarvis Street memorandum and issues list.
04/21/15	MBS	.70	Drafting and revising Thirtieth Report of the Manager re: vesting order in respect of 346 Jarvis, Unit B; email exchange with H. Schonfeld and M. Dunn re: amending Order of Front St. relating to contributions to creditors.
04/21/15	NCS	10.20	Reviewing title regarding 346 Jarvis; meeting with S. Woolley re: instructions for research into section 50 of the Planning Act; reviewing case law re: vesting orders and the planning act; reviewing case law re: definition of consent under the planning act; considering impact of planning commissioner's consent to transfer while part lot exemption in force and discussions with K. Herlin, G. Lauzon and S. Woolley re: same; reviewing and considering Condominium Act exemptions to Planning Act; reviewing application to delete restriction to transfer 346 Jarvis lands; reviewing condominium declaration; emails with K. Herlin and G. Lauzon re: impact of common elements condominium declaration; drafting memo re: part lot control, planning act consents, vesting orders and validation certificates.
04/21/15	SAW	1.70	Conducting research re: exceptions to section 50 of the Planning Act for N Staubitz.
04/22/15	MSD	.50	Reviewed Memo re: Jarvis title issues; Report re: Jarvis sale
04/22/15	BFE	.40	Reviewing and commenting on Thirtieth Report.
04/22/15	KEH	.80	Meeting with N. Staubitz; review memo with respect to 346 Jarvis Street property; provide comments in connection therewith.
04/22/15	GLL	1.00	346 Jarvis: numerous email with N. Staubitz and K. Herlin regarding Planning Act issues; subsearch title to common elements condominium; review memorandum and provide comments; review revised memorandum.

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Date	TKID	Hours	Description
04/22/15	MJR	.30	Finalizing Thirtieth Manager's Report.
04/22/15	NCS	5.10	Drafting and revising memo re: planning act issues, part lot control exemption, planning act statements, vesting orders and validation certificates; additional research re: common elements condominium corporations and impact on planning act considerations; discussions with K. Herlin and G. Lauzon re: same; discussion with S. Woolley re: research into planning act exceptions for condominium corporations; email to B. Empey, M. Dunn re: conclusions on transfers and mortgages of Units A, B and F at 346 Jarvis; voicemails with M. Dunn.
04/22/15	SAW	.70	Conducting research re: Planning Act exceptions outlined in the Condominium Act for N Staubit.
04/23/15	MSD	1.10	Telephone call with M. Dunn, L. Zimmerman and L. Wallach re: fee and title issues; reviewing memo re: title issues; telephone call between M. Dunn and client.
04/23/15	BFE	.50	Telephone conference with M. Dunn re: Thirtieth Report; Planning Act issues for Jarvis St, and re: Cityview and Dupont costs.
04/23/15	KEH	.70	Exchange emails with B. Empey and M. Dunn re: 346 Jarvis Street; exchange emails with agent re: extension of due diligence for schedule for Unit F, 346 Jarvis Street property; discussions with N. Staubit re: memo.
04/23/15	MJR	1.10	Correspondence with M. Shneer; attending at Schonfeld to have Thirtieth Manager's Report signed and returning to office; compiling soft-copy of Manager's Report and confidential appendices.
04/23/15	MBS	.30	Finalizing Manager's Thirtieth Report; serving the Service List; call with M. Dunn re: preparing motion for vesting order and sale approval of 346 Jarvis St, Unit B; compiling Confidential Appendix Brief.
04/23/15	NCS	2.70	Emails re: equitable mortgages research; email and discussion with G. Lauzon re: abutting land searches; discussion with K. Herlin re: finalizing memo re: planning act, part lot control and vesting orders; reviewing and revising same; email to B. Empey, M. Dunn, K. Herlin and G. Lauzon re: revised memo.
04/24/15	BFE	.60	Reviewing and commenting on draft memo re: Planning Act issues; further emails with team re: same.
04/24/15	KEH	.80	Reviewing and revising memo with respect to potential violations of Planning Act with respect to 346 Jarvis Street; exchange emails re: possible extension of 346 Jarvis Street sale of Unit F due diligence date; review and revise memo

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Invoice #644738 -- page 11

Date	TKID	Hours	Description
			re: same.
04/24/15	MBS	.60	Drafting and revising Notice of Motion and draft Order re: 346 Jarvis St., Unit B; drafting email to A. Dryer re: advising CPL's counsel of motion; drafting email to J. Spetter re: advising Mortgagee's counsel of motion; conference call with the Court re: Newbould J.'s unavailability for motion date.
04/24/15	NCS	.80	Attending to review and revisions to memo re: 346 Jarvis and comments from B. Empey; emails and discussions re: finalizing draft memo; drafting email to K. Herlin re: finalized memo and delivery of same to client.
04/25/15	BFE	.20	Reviewing and replying to emailed question from M. Dunn re: Jarvis Street Unit B.
04/26/15	MBS	.40	Drafting and revising Notice of Motion re: 346 Jarvis St., Unit B per M. Dunn's comments; finalizing Motion Record re: same.
04/27/15	BFE	.60	Reviewing language for approval order re: vesting/Planning Act for Jarvis Unit B; email and voicemail discussions re: Committee of Adjustment approach to cure Planning Act issues.
04/27/15	KEH	1.80	Exchange emails throughout the day re: finalization of agreement of purchase and sale and waiver of condition for Unit F, 346 Jarvis Street; discussion with mortgagee solicitor and exchange voice mails and emails with Planning Act solicitor for mortgagee with respect to Unit E at 346 Jarvis Street; exchange emails with H. Schonfeld and S. Troister re: possible timing of rectification order; discussions with H. Schonfeld throughout the day re: approach to potential mortgagee Planning Act violations and goal to minimize expenditures by estate in connection therewith; discussions with N. Staubitz re: his memorandum.
04/27/15	MBS	.90	Multiple emails with M. Dunn et al re: 346 Jarvis. and planning act issues; serving and filing Motion Record and Confidential Appendix Brief re: 346 Jarvis St., Unit B; revising Amended draft Order re: distribution in respect of 65 Front St.
04/27/15	NCS	3.90	Reviewing draft vesting order and revisions to same re: planning act concerns; email to K. Herlin, M. Dunn and B. Empey re: same; reviewing proposed revisions and responding to queries; reviewing validation certificate for Unit E; discussion with K. Herlin and G. Lauzon; emails and telephone call with B. Empey re: same; reviewing and revising draft 31st report of the manager; email to M. Dunn re: same.

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Invoice #644738 -- page 12

Date	TKID	Hours	Description
04/28/15	MSD	3.30	Telephone call with M. Dunn, K. Herlin, A. Troistee and client re: Jarvis title issues; telephone call between M. Dunn and BNS counsel re: same; discussing with M. Shneer re: motion; telephone call between M. Dunn and S. Roy re: various issues.
04/28/15	KEH	.50	Participate in conference call with H. Schonfeld, S. Troister, G. Lauzon and M. Dunn re: resolution of potential existing Planning Act violations by three (3) mortgagees for 345 Jarvis Street.
04/28/15	GLL	4.00	Unit F, 346 Jarvis: subsearch title; search executions; review mortgage security; draft security review; review agreement of purchase and sale; draft closing agenda and closing documents; review and respond to requisition letter.
04/28/15	GLL	.50	346 Jarvis Planning Act issues: telephone conference call G. Lauzon, H. Schonfeld, S. Troister, M. Dunn, K. Herlin.
04/28/15	NCS	.20	Email to M. Dunn re: draft wording for vesting order to address Planning Act issues.

OUR FEE

\$117,233.00

TKID	NAME	HOURS	RATE	TOTAL
BFE	Empey, Brian F.	8.60 hrs	\$850.00	\$7,310.00
JCC	Cosentino, Joe	1.40 hrs	\$785.00	\$1,099.00
JNW	Wadden, Jason	0.40 hrs	\$710.00	\$284.00
KEH	Herlin, Ken	16.70 hrs	\$885.00	\$14,779.50
MSD	Dunn, Mark	58.10 hrs	\$605.00	\$35,150.50
MBS	Shneer, Michel	39.30 hrs	\$515.00	\$20,239.50
NCS	Staubitz, Nick	32.60 hrs	\$560.00	\$18,256.00
GLL	Lauzon, Gloria	30.10 hrs	\$435.00	\$13,093.50
JAH	Habert, Jamie	13.90 hrs	\$290.00	\$4,031.00
JRC	Cohen, Jesse-Ross	0.50 hrs	\$290.00	\$145.00
MJR	Rossetti, Matthew	6.50 hrs	\$290.00	\$1,885.00
SAW	Woolley, Samantha	2.40 hrs	\$290.00	\$696.00
DA	Clerk, Litigation	3.30 hrs	\$80.00	\$264.00

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Invoice #644738 -- page 13

TKID	NAME	HOURS	RATE	TOTAL
				\$117,233.00

DISBURSEMENTS

Parking/ Cab / Mileage	21.96
Copies	549.75
Computer Searches - QL System	53.06
Certificate - Execution	22.00
Meals	31.88
Conference Calls	3.59
Set Down Motion	381.00
Delivery - Courier	72.93
Process Server	60.00
Computer Searches - Westlaw Carswell	1,078.00
Search - Sub	510.00

TOTAL DISBURSEMENTS	\$2,784.17
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TOTAL FEES ON THIS INVOICE	\$117,233.00
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HST ON FEES	15,240.29
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NON TAXABLE DISBURSEMENTS	381.00
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TAXABLE DISBURSEMENTS	2,403.17
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TOTAL DISBURSEMENTS ON THIS INVOICE	\$2,784.17
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HST ON TAXABLE DISBURSEMENT	312.41
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TOTAL THIS INVOICE (CANADIAN DOLLARS)	\$135,569.87
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TRUST FUNDS	\$2,472,911.79
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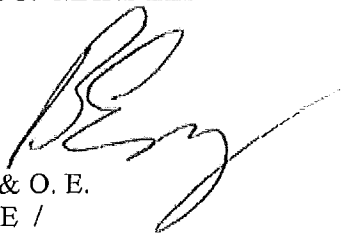
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Invoice #644738 -- page 14

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E. & O. E.
BFE /

This invoice may not reflect all time and disbursements incurred on this matter to date. It is payable upon receipt and in accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.30% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

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Invoice #644738 -- page 15

PAYMENT OPTIONS

**Cheque payable to GOODMAN'S LLP - mailed to our office; OR
by Wire Transfer - to Goodmans account:**

Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
<u>Beneficiary Bank:</u>	004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Brian F. Empey, Matter # 140074, Invoice # 644738 (Please include all invoice numbers)

*****Please also email Wire Payment Details to: collections@goodmans.ca***

This is Exhibit "C" referred to in the
affidavit of Brian Empey
sworn before me, this 27th
day of November, 2015.



A Commissioner for Taking Affidavits

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June 4, 2015

Schonfeld Inc.
3000 North Tower, TD Centre
77 King St. W.
PO Box 85
Toronto, ON
Canada M5K 1G8

ATTENTION: S. Harlan Schonfeld

OUR FILE NO. SFDI 140074
OUR INVOICE NO. 646798
GST/HST REGISTRATION NO. R119422962

Re: Manager

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
04/28/15	MBS	1.20	Conference call with Scotiabank Mortgagee's counsel re: planning act contravention and 346 Jarvis St.; revising draft Orders re: approval of fees for M. Dunn to have issued tomorrow; submitting commercial request form re: motion for 346 Jarvis St., Unit F; interoffice conference with M. Dunn re: scheduling and dividing up work per upcoming motions.
04/29/15	MSD	2.00	Preparing and attending motion for approval and vesting order re: Front Street distribution; telephone call between M. Dunn and P. Fruitman.
04/29/15	KEH	1.40	Review and revise security review with respect Unit F and provide blackline redraft to G. Lauzon; receipt of requisitions of email throughout the day from solicitors for purchasers for Unit B and Unit F; discussions with G. Lauzon re: status of file throughout the day as well as status of Bank of Nova Scotia mortgages and Meridian Credit mortgages; receipt of Section 57 Planning Act applications.
04/29/15	GLL	1.50	Unit F, 346 Jarvis: draft documents; receipt and review of tax statement and information regarding common expenses and rent; draft statement of adjustments; update closing agenda; facsimile to Meridian Credit Union Limited regarding a request for a mortgage statement; prepare execution copies of closing documents.
04/29/15	GLL	.40	346 Jarvis Planning Act issues: email from H. Schonfeld; requisition trust



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Invoice #646798 -- page 2

Date	TKID	Hours	Description
			cheque to Torkin Manes LLP; correspondence to S. Troister.
04/29/15	GLL	.20	2 Kelvin Avenue: receipt and deposit of net sale proceeds; .
04/29/15	GLL	.60	Units A and B, 346 Jarvis: telephone conversations with Lorena (Bank of Nova Scotia); discussions with K. Herlin; telephone conversation with and email to L. Alves (Bank of Nova Scotia) regarding Planning Act matters; telephone conversation with J. Calabretta (Agucci & Calabretta).
04/30/15	MSD	1.00	Drafting Jarvis report; discussing and emailing re: Cityview and Dupont costs.
04/30/15	BFE	.40	Emails and telephone conference with H. Schonfeld re: costs claim; telephone conference with M. Dunn re: further allocation.
04/30/15	KEH	.90	Exchange emails with clients and discussions with G. Lauzon and M. Dunn re: closing of sales of Units B and F at 346 Jarvis Street, Toronto; discussions with M. Dunn and G. Lauzon re: closings; exchange emails re: mortgage payouts.
04/30/15	GLL	1.20	Unit F, 346 Jarvis: receipt and review revised security review letter; provide comments to K. Herlin; finalize security review and arrange for execution; email to H. Schonfeld; receipt and review of mortgage statement; review mortgage for prepayment penalty provisions; request revisions to mortgage statement and calculation of prepayment penalty; receipt and review of revised mortgage statement and calculation statement.
04/30/15	GLL	.20	Unit A, 346 Jarvis: receipt and review of application for Validation Certificate.
04/30/15	GLL	1.20	Unit B, 346 Jarvis: correspondence to H. Waldman enclosing executed closing documents; receipt and review of approval and vesting order and email to H. Waldman; scan Manager's Certificate and Approval and Vesting Order; draft record book index; assemble record book; update statement of receipt and disbursement of funds.
05/01/15	MSD	2.10	Drafting and revising report re: Jarvis and Cityview issues; telephone call between M. Dunn and client.
05/01/15	BFE	.20	Review of draft 31st Report.
05/01/15	GLL	2.50	Unit B, 65 Front: attend to closing matters; telephone conversation with F. Wicks (Howard Waldman's office); receipt and review of executed closing documents; receipt of closing funds; receipt of updated tax statement; update statement of receipt and disbursement of funds and email to J. Merryweather;

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Date	TKID	Hours	Description
			requisition cheques to the City of Toronto in payment of outstanding realty taxes and outstanding utilities and to Chestnut Park Real Estate Ltd. in payment of commission; correspondence to City of Toronto; correspondence to Chestnut Park Real Estate Ltd.; import Manager's Certificate and Approval and Vesting Order as a schedule to the ereg application for vesting order; receipt and review of receipted application for vesting order; correspondence to H. Waldman.
05/01/15	GLL	.50	65 Front: requisition trust cheques per Court Order and correspondence to H. Schonfeld.
05/03/15	MSD	.70	Revising 31st Report; assembling appendices.
05/03/15	NCS	.30	Responding to email from M. Dunn re: part lot control exemption by-law; reviewing emails and correspondence re: same; email to M. Dunn.
05/04/15	MSD	1.50	Reviewing motion material and draft orders; correspondence with opposing counsel.
05/04/15	NCS	.30	Researching part lot control by-law for 346 Jarvis; email to M. Dunn re: same; revising memo re: 346 Jarvis to reflect validation certificate process.
05/05/15	MSD	3.00	Preparing and attending Motion for Distribution, Sale Approval; calling and emailing with Meridian.
05/05/15	BFE	.20	Email discussion with J. Merryweather re: Ascalon.
05/06/15	MSD	4.50	Drafting report re: Claim Process; reviewing documents re: Peel claim; drafting letter to P. Shea; calling and emailing with counsel to Meridian; telephone call between M. Dunn and client; reviewing mediation memorandum of investors and motion materials re: inaccuracies in same.
05/06/15	GLL	.20	Unit A, 346 Jarvis: email from J. Merryweather; requisition trust cheque in payment of outstanding utility charges; correspondence to City of Toronto.
05/06/15	GLL	.80	Unit F, 346 Jarvis: receipt and review of information regarding last months rent; revisions to statement of adjustments and email to J. Merryweather and Julie (Marek Malicki's office); update statement of receipt and disbursement of funds; attend on execution of closing documents; correspondence to M. Malicki.
05/07/15	MSD	6.30	Drafting report and corresponding re: claims process; reviewing mediation memoranda; emailing with client.



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Invoice #646798 -- page 4

Date	TKID	Hours	Description
05/07/15	BFE	1.00	Reviewing mediation briefs for the parties.
05/07/15	GLL	1.50	Numerous email and conversations; attend to closing matters; receipt and review of executed closing documents; receipt of closing funds; scan and import manager's certificate and vesting order to ereg application; arrangements for payment of outstanding realty taxes, utilities and commission; correspondence to City of Toronto; correspondence to Chestnut Park Real Estate Ltd.
05/07/15	MJR	.80	Correspondence with M. Shneer; conducting research re: perfecting an appeal.
05/08/15	MSD	3.30	Revising report re: distribution; drafting response to P. Shea.
05/08/15	BFE	.50	Reviewing and commenting on draft 32nd Report; discuss same with M. Dunn.
05/08/15	KEH	.30	Exchange emails throughout the day re: closing of 346 Jarvis Street sale and exchange emails with S. Troister re: status of application re: Planning Act waiver; follow up emails; exchange emails with J. Merriweather re: beneficial ownership of 1500 Don Mills.
05/08/15	GLL	.80	Update statements of receipts and disbursements of funds.
05/11/15	MSD	.80	Drafting Notice of Motion; emailing re: Hazelton; reviewing DuPont order.
05/11/15	BFE	.30	Emails re: Northern Dancer, May 15th motion, 30 Hazelton Lanes.
05/12/15	KEH	.30	Exchange emails with working group re: outstanding amounts in trust account and mortgagee's lawyers fees; exchange emails re: status of 346 Jarvis Street Planning Act issues.
05/12/15	GLL	1.20	Update statement of receipts and disbursements of funds and email to H. Schonfeld, J. Merryweather, M. Dunn, K. Herlin and S. Fasciani; telephone conversation with M. Dunn regarding remaining trust funds; search archives and email to M. Dunn regarding particulars of funds in trust for 78 Tisdale, 30-34 Meridian and 355 Weston Road.
05/14/15	BFE	.20	Reviewing and commenting on draft order for tomorrow's motion.
05/15/15	MSD	.50	Attend hearing of motion, advise other counsel of adjournment by the Court.
05/19/15	MSD	.80	Emailing re: Cityview property; telephone call with R. Fisher re: mediation.
05/19/15	BFE	.20	Call from Toronto Hydro re: Jarvis Street; voicemail to G. Lauzon re: same.

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Date	TKID	Hours	Description
05/19/15	GLL	.20	Discussions with M. Dunn and email to J. Merryweather regarding payments made to lien claimants for 1 City View.
05/20/15	KEH	.40	Discussions with G. Lauzon re: distribution of closing funds relating to 346 Jarvis Street.
05/20/15	GLL	1.20	Numerous email; receipt and review of validation certificates for Units A, B and F, 346 Jarvis; receipt and review of revised discharge statements from The Bank of Nova Scotia for Units A and B; update statements of receipt and disbursements of funds; arrangements to pay outstanding mortgage on Unit F and outstanding taxes on Unit H; correspondence to Meridian Credit Union; arrangements to pay outstanding mortgages on Units A and B; correspondence to Agueci & Calabretta (solicitors for Bank of Nova Scotia).
05/22/15	BFE	.20	Telephone conference with M. Dunn re: update on May 25 motion and on mediation and appeals.
05/22/15	KEH	.20	Discussions with J. Merryweather re: efforts to recover Taron home warranty program deposit posted by company.
05/22/15	GLL	.60	Update statement of receipts and disbursements of funds.
05/25/15	MSD	5.20	Preparing of and attending motion re: fee allocation, payment to creditors of 6 companies; emailing with L. Zimmerman, J. Brudner and J. Merryweather; drafting letter re mediation.
05/25/15	KEH	.20	Exchange emails with working group with respect to payment of closing proceeds for 1 and 9-11 City View; execute cheques in connection therewith.
05/27/15	MSD	5.50	Preparing for and attending mediation.
05/29/15	MBS	1.80	Reviewing Dupont appeal materials; conference call with J. Merryweather re: outstanding issues regarding CRA T2s to be filed and Northern Dancer.
06/01/15	JCC	.80	Office conference between J. Cosentino and M. Dunn; begin review of materials re: getting monies paid out of court on Northern Dancer Lands.
06/01/15	KEH	.10	Exchange emails with H. Schonfeld re: committee of adjustment waiver of Planning Act violations with respect to 346 Jarvis Street property.
06/02/15	JCC	.30	Receipt and review of registered Applications to Amend re: Northern Dancer Land.
06/02/15	GLL	.60	Units A, B and F, 346 Jarvis Street: receipt and review of invoices regarding validation certificates; update statement of receipt and disbursements of funds



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Invoice #646798 -- page 6

Date	TKID	Hours	Description
			for Units A, B and F, 346 Jarvis Street; email to H. Schonfeld and J. Merryweather for instructions to release balance of funds in trust for these properties.
06/02/15	GLL	.40	140 Queen's Plate Drive: subsearch title and email copies of applications to amend based on court order to J. Cosentino.
06/03/15	GLL	.30	Units A, B and F, 346 Jarvis; arrangements for payment of Minden Gross invoices; arrangements for release of net sale proceeds; correspondence to Minden Gross; correspondence to H. Schonfeld.

OUR FEE**\$39,001.00**

TKID	NAME	HOURS	RATE	TOTAL
BFE	Empey, Brian F.	3.20 hrs	\$850.00	\$2,720.00
JCC	Cosentino, Joe	1.10 hrs	\$785.00	\$863.50
KEH	Herlin, Ken	3.80 hrs	\$885.00	\$3,363.00
MSD	Dunn, Mark	37.20 hrs	\$605.00	\$22,506.00
MBS	Shneer, Michel	3.00 hrs	\$515.00	\$1,545.00
NCS	Staubitz, Nick	0.60 hrs	\$560.00	\$336.00
GLL	Lauzon, Gloria	16.10 hrs	\$435.00	\$7,003.50
MJR	Rossetti, Matthew	0.80 hrs	\$290.00	\$232.00
DA	Clerk, Litigation	5.40 hrs	\$80.00	\$432.00
				\$39,001.00

DISBURSEMENTS

Telephone - Long Distance	9.86
Wire Charges	17.50
Parking/ Cab / Mileage	22.34
Copies	782.00
Certificate - Execution	22.00
Meals	46.57
Conference Calls	7.87
Delivery - Courier	282.05
Process Server	678.00

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Invoice #646798 -- page 7

Search - Sub

93.00

TOTAL DISBURSEMENTS

\$1,961.19

TOTAL FEES ON THIS INVOICE

\$39,001.00

HST ON FEES

5,070.13

NON TAXABLE DISBURSEMENTS

0.00

TAXABLE DISBURSEMENTS

1,961.19

TOTAL DISBURSEMENTS ON THIS INVOICE

\$1,961.19

HST ON TAXABLE DISBURSEMENT

254.95

TOTAL THIS INVOICE (CANADIAN DOLLARS)

\$46,287.27

TRUST FUNDS

\$727,980.34

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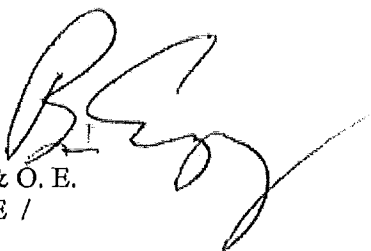
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E. & O. E.
BFE /

This invoice may not reflect all time and disbursements incurred on this matter to date. It is payable upon receipt and in accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.30% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.



Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
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Invoice #646798 -- page 9

PAYMENT OPTIONS

**Cheque payable to GOODMANS LLP - mailed to our office; OR
by Wire Transfer - to Goodmans account:**

Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
<u>Beneficiary Bank:</u>	004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Brian F. Empey, Matter # 140074, Invoice # 646798 (Please include all invoice numbers)

*****Please also email Wire Payment Details to: collections@goodmans.ca***

This is Exhibit "D" referred to in the
affidavit of Brian Empey
sworn before me, this 27th
day of November, 2015.



A Commissioner for Taking Affidavits

Goodmans^{LLP}

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333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

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July 6, 2015

Schonfeld Inc.
3000 North Tower, TD Centre
77 King St. W.
PO Box 85
Toronto, ON
Canada M5K 1G8

ATTENTION: S. Harlan Schonfeld

OUR FILE NO. SFDI 140074

OUR INVOICE NO. 648312

GST/HST REGISTRATION NO. R119422962

Re: Manager

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
06/01/15	MSD	2.50	Reviewing Strada/Rubino claim and proof of loss; Reviewing next steps on each property.
06/02/15	MSD	.70	Call with S. Roy; emails.
06/04/15	JCC	2.00	Continue preparation of draft Order and motion materials re: obtain return of security.
06/04/15	MSD	.60	Call re: rescheduling issues; Further reviewing of Rubino claim.
06/04/15	KEH	.40	Exchange voicemail message with H. Schonfeld with respect to new offer for Luttrell property; call back to him and discussions with G. Lauzon re: same.
06/04/15	GLL	.60	0 Luttrell; discussions with H. Schonfeld and K. Herlin; draft agreement of purchase and sale.
06/05/15	JCC	.90	Continue preparation of Orders and motion materials.
06/05/15	KEH	.40	Discussions with G. Lauzon; revise agreement of purchase and sale for 0 Luttrelo Avenue.
06/08/15	JCC	.90	Letters to J. Merryweather; receipt and review of correspondence from J. Merryweather (x3); office conference with M. Dunn; continue preparation of Consent Orders and motion materials re: Northern Dancer Lands Ltd.

Invoice #648312 -- page 2

Date	TKID	Hours	Description
06/08/15	KEH	.20	Exchange emails with respect to sale of 0 Luttrell Avenue property.
06/09/15	JCC	1.70	Letters to J. Merryweather (x5); receipt and review of correspondence from J. Merryweather (x 4); review draft Consent Orders; letter to W. Cord and L. Wallach; letter to A. Lavallee, E. D'Agostino, L. Wallach and M. Goldberg; letter to M. Reinhart and L. Wallach; telephone consultation with M. Goldberg; receipt and review of correspondence from A. Lavallee; receipt and review of correspondence from E. D'Agostino; letter to E. D'Agostino; receipt and review of correspondence from W. Cord; office conference with M. Dunn.
06/09/15	GLL	.40	0 Luttrell: numerous email; review agreement of purchase and sale executed by Epicurus Capital Inc.; telephone conference call H. Schonfeld, K. Herlin, G. Lauzon.
06/09/15	GLL	1.50	Units A, B and F, 346 Jarvis; finalize record books.
06/10/15	JCC	2.40	Receipt and review of correspondence from J. Merryweather; receipt and review of correspondence from L. Wallach (x3); voicemail to L. Wallach (Mortgagees); telephone consultation with M. Reinhart (Spectra); letters to J. Merryweather (x2); receipt and review of correspondence from M. Goldberg (x3); letters to M. Goldberg; telephone consultation with M. Goldberg; receipt and review of correspondence from W. Cord; receipt and review of correspondence from M. Reinhart; continue preparation of Motion Records; revise Orders re: Melillo and Spectra; letter to W. Cord and L. Wallach; letter to M. Reinhart and L. Wallach; office conference with M. Dunn.
06/10/15	MSD	4.30	Discussing with D. Knight re: Rubino claim; discussing with client re: various matters and next steps; discussing with counsel to Eddystone Place re: accounting and payment.
06/10/15	BFE	.20	Reviewing M. Dunn's email re; updated list of housekeeping items.
06/10/15	DVK	.80	Reviewing Dispute Notice and Rubino Affidavit; drafting Report of Manager re: Rubino claim for damages.
06/10/15	GLL	.50	0 Luttrell: numerous email and conversations; review blackline copy of revised agreement of purchase and sale; review sign-back agreement of purchase and sale.
06/11/15	JCC	.90	Telephone consultations with E. D'Agostino (lawyer for MHBC); revise Order re: MHBC (x2); letters to E. D'Agostino, M. Goldberg and L. Wallach; receipt and review of correspondence from J. Merryweather; letter to J.

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Invoice #648312 -- page 3

Date	TKID	Hours	Description
			Merryweather; office conference with M. Dunn; telephone consultation with J. Merryweather.
06/12/15	JCC	1.60	Receipt and review of correspondence from E. D'Agostino (x2); letter to E. D'Agostino; receipt and review of correspondence from J. Merryweather; letter to J. Merryweather; continue preparation of Motion Records.
06/12/15	GLL	.50	Update statement of receipts and disbursements of funds; email to H. Schonfeld and J. Merryweather.
06/15/15	JCC	.70	Telephone consultation with L. Wallach; receipt and review of correspondence from L. Wallach; receipt and review of correspondence from E. D'Agostino (x2); receipt and review of signed Consent re: MHBC; office conference with M. Dunn; letters to J. Merryweather; receipt and review of correspondence from J. Merryweather.
06/15/15	GLL	.40	Attend at Meridian Credit Union to deposit cheque for Eddystone property; discussions with H. Schonfeld regarding revisions to agreement of purchase and sale for 0 Luttrell and receipt and review of revised agreement.
06/16/15	JCC	.90	Receipt and review of correspondence from N. Walton; office conference with M. Dunn; receipt and review of correspondence from J. Merryweather; letter to J. Merryweather; continue preparation of Motion Records.
06/16/15	KEH	.60	Discussions with H. Schonfeld with respect to agreement of purchase and sale for 0 Luttrell Avenue property, revise agreement of purchase and sale; discussions with G. Lauzon re: same; discussions with M. Dunn re: closing.
06/16/15	GLL	.20	0 Luttrell: numerous email and discussions regarding agreement of purchase and sale.
06/17/15	JCC	.40	Receipt and review of correspondence from J. Merryweather; letter to J. Merryweather; telephone consultation with Toronto Construction Lien Motions Court.
06/17/15	KEH	.30	Discussions with H. Schonfeld re: agreement of purchase and sale of 0 Luttrell Avenue property and closing of transaction.
06/18/15	JCC	.20	Telephone consultation with Construction Lien Masters Court.
06/18/15	GLL	3.00	Review executed agreement of purchase and sale; draft closing agenda and closing documents.
06/18/15	PM	.10	Conduct Teraview search re Schonfeld for J. Cosentino.

Invoice #648312 -- page 4

Date	TKID	Hours	Description
06/19/15	JCC	.10	Telephone consultation with Construction Lien Motions Court; receipt and review of correspondence from J. Merryweather; letter to J. Merryweather.
06/19/15	JCC	.80	Preparation of Affidavits re: Accountant's Office.
06/19/15	DVK	5.80	Drafting Report of Manager and Notice of Action re: dispute over Disallowance; meeting with M. Dunn re: Rubino Affidavit; reviewing and considering Proof of Claim and Statement of Claim filed by Strada 241; revising Report of Manager and Notice of Action.
06/19/15	PM	.40	Download Instruments in Teraview for J. Cosentino re Schonfeld; emails to and from J. Cosentino.
06/22/15	JCC	2.20	Attend at Construction Lien Motions Court and appear before Master Albert; obtain Orders in MHBC, Melillo and Spectra actions; letters to J. Merryweather; receipt and review of correspondence from J. Merryweather; telephone consultation with L. Wallach; receipt and review of correspondence from M. Reinhart; letter to E. D'Agostino; receipt and review of correspondence from E. D'Agostino; letter to L. Wallach.
06/22/15	MSD	3.00	Telephone call with client re: next steps; emailing with J. Brudner; discussions with D. Knight re: Rubino claim; drafting motion material re: Luttrell sale approval; drafting motion material re: Schedule "C" proceeds.
06/22/15	GLL	1.20	0 Luttrell: numerous email; draft statement of adjustments and statement of receipt and disbursement of funds; prepare execution copies of closing documents.
06/23/15	JCC	.20	Telephone consultation with Court Accountant's Office; instructions to court filing clerk.
06/23/15	MSD	5.70	Drafting and serving report re: Luttrell; drafting report re: claims processes and other matters; reviewing and revising Rubino claim; emailing with client.
06/23/15	BFE	.20	Telephone call with M. Dunn re: potential motion on June 26; email to H. Schonfeld re: bankruptcy order for Wynford Professional Centre.
06/23/15	GLL	.20	0 Luttrell: draft record book index.
06/24/15	MSD	3.60	Meeting with client; reviewing motion re: Luttrell, revising motion re: Rubino; claims processes; preparing email to A. Dryer re: Jarvis.
06/24/15	BFE	.20	Emails with M. Dunn and H. Schonfeld re: Dupont appeal and possible Friday motion.



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Invoice #648312 -- page 5

Date	TKID	Hours	Description
06/24/15	KEH	.10	Discussion with G. Lauzon re; status of closing of O Luttrell transaction; numerous emails from new solicitor for purchaser.
06/24/15	GLL	.50	O Luttrell; numerous email and discussions with Purchaser's solicitors; attend on execution of closing documents.
06/25/15	MSD	2.70	Reviewing N. Walton motion material; telephone call with B. Empey re: same; drafting and finalizing factum; reviewing Book of Authorities.
06/25/15	BFE	1.50	Receipt of service of various court materials for tomorrow; telephone conference with M. Dunn re: background for tomorrow's motion; email instructions for morning.
06/25/15	GLL	.20	Discussions with L. Kennedy (Marrelli & Co.); revisions to vesting order; correspondence to J. Marrelli.
06/25/15	MBS	.90	Reviewing and considering appellant's factum re appeal of Newbould J. 's Order denying Dupontee's motion to vary priority chart; reviewing factum filed below.
06/26/15	JCC	.20	Receipt of cheque from Court Accountant's Office re; MHBC; receipt and review of correspondence from J. Merryweather; letter to J. Merryweather.
06/26/15	BFE	3.40	Preparing for and attending at hearing of Motion for Approval of Sale of O Luttrell and Walton Motion for Funding; reporting to Manager re: hearing; reviewing endorsement released by Court and report to Manager re: same.
06/29/15	JCC	.30	Telephone consultation with Court Accountant's Office; receipt of two cheques re: Melillo and Spectra; letter to J. Merryweather; office conference with G. Lauzon.
06/29/15	MSD	1.30	Telephone call with A. Dryer; revising reports re: Rubino and claims processes.

OUR FEE**\$40,192.00**

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Invoice #648312 -- page 6

TKID	NAME	HOURS	RATE	TOTAL
BFE	Empey, Brian F.	5.50 hrs	\$850.00	\$4,675.00
JCC	Cosentino, Joe	16.40 hrs	\$785.00	\$12,874.00
KEH	Herlin, Ken	2.00 hrs	\$885.00	\$1,770.00
MSD	Dunn, Mark	24.40 hrs	\$605.00	\$14,762.00
MBS	Shneer, Michel	0.90 hrs	\$515.00	\$463.50
GLL	Lauzon, Gloria	9.20 hrs	\$435.00	\$4,002.00
PM	MacDonald, Paula	0.50 hrs	\$255.00	\$127.50
DVK	Knight, Danielle	6.60 hrs	\$230.00	\$1,518.00
				\$40,192.00

DISBURSEMENTS

Telephone - Long Distance	4.40
File Retrieval	36.76
Parking/ Cab / Mileage	32.39
Copies	384.50
Delivery - Courier	6.60
Process Server	60.00
Computer Searches - Westlaw Carswell	37.00
Search - Sub	91.00

TOTAL DISBURSEMENTS	\$652.65
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TOTAL FEES ON THIS INVOICE	\$40,192.00
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HST ON FEES	5,224.96
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NON TAXABLE DISBURSEMENTS	0.00
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TAXABLE DISBURSEMENTS	652.65
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TOTAL DISBURSEMENTS ON THIS INVOICE	\$652.65
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HST ON TAXABLE DISBURSEMENT	84.84
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Invoice #648312 -- page 7

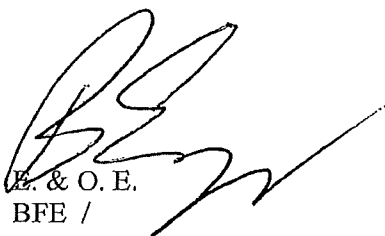
TOTAL THIS INVOICE (CANADIAN DOLLARS)

\$46,154.45

TRUST FUNDS

\$728,153.18

THIS IS OUR ACCOUNT HEREIN
GOODMANS LLP


E. & O. E.
BFE /

This invoice may not reflect all time and disbursements incurred on this matter to date. It is payable upon receipt and in accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.30% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

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Invoice #648312 -- page 8

PAYMENT OPTIONS

**Cheque payable to GOODMAN'S LLP - mailed to our office; OR
by Wire Transfer - to Goodmans account;**

Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
<u>Beneficiary Bank:</u>	004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Brian F. Empey, Matter # 140074, Invoice # 648312 (Please include all invoice numbers)

*****Please also email Wire Payment Details to: collections@goodmans.ca***

This is Exhibit "E" referred to in the
affidavit of Brian Empey
sworn before me, this 27th
day of November, 2015.



A Commissioner for Taking Affidavits

Goodmans ^{LLP}

Barristers & Solicitors

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August 18, 2015

Schonfeld Inc.
3000 North Tower, TD Centre
77 King St. W.
PO Box 85
Toronto, ON
Canada M5K 1G8

ATTENTION: S. Harlan Schonfeld

OUR FILE NO. SFDI 140074

OUR INVOICE NO. 650493

GST/HST REGISTRATION NO. R119422962

Re: Manager

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
06/18/15	MSD	2.10	Preparing for and attending scheduling hearing before Justice Newbould; emailing with C. Sparling and S. Roy re: Dibri appeal.
07/02/15	MSD	5.60	Drafting Twin Dragon motion material; telephone call with P. Veel and D. Glatt; reviewing correspondence and documents from R. Fisher.
07/02/15	LKF	3.20	Drafting Notice of Motion for M. Shneer re: security for costs in Dupont appeal.
07/02/15	KEH	.10	Attend to closing of last transaction 0 Luttrell; exchange emails with G. Lauzon and H. Schonfeld re: same.
07/02/15	GLL	1.50	Attend to closing matters; receipt and arrangements for disbursement of closing funds; receipt and review of executed closing documents; attach Manager's Certificate and Approval and Vesting Order as a schedule to the ereg application for vesting order; correspondence to L. Kennedy (Marrelli & Co.); update record book index and assemble record book.
07/03/15	MSD	4.20	Preparing Twin Dragons motion materials; telephone call with P. Veel and D. Glatt; reviewing correspondence and documents from R. Fisher.
07/03/15	BFE	.20	Emails with clients re: funding order for Walton.
07/05/15	GLL	.50	Unit A, 346 Jarvis: review CD and final bound copies of the record book;



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Invoice #650493 -- page 2

Date	TKID	Hours	Description
			email to records management to finalize CD's; correspondence to H. Schonfeld.
07/05/15	GLL	.50	Unit B, 346 Jarvis: review CD and final bound copies of the record book; email to records management to finalize CD's; correspondence to H. Schonfeld.
07/05/15	GLL	.50	Unit F, 346 Jarvis: review CD and final bound copies of the record book; email to records management to finalize CD's; correspondence to H. Schonfeld.
07/06/15	MSD	7.00	Drafting Rubino report and sending to client; telephone call with client re: various matters; preparing report re: housekeeping matters; drafting factum re: DuPont appeal and reviewing material re: same.
07/06/15	BFE	.20	Emails with Lenczner's and with client re: funding order.
07/07/15	MSD	7.80	Reviewing law and evidence relevant to DuPont mortgagee appeal.
07/07/15	KEH	.30	Discussions with G. Lauzon; emails to J. Merryweather re: outstanding cheque and deposit of same.
07/08/15	MSD	6.80	Reviewing law and evidence relevant to DuPont mortgagee appeal.
07/09/15	MSD	7.20	Drafting Dupont appeal factum; reporting re: claims processes.
07/09/15	BFE	.20	Further email correspondence with N. Walton re: funding Order.
07/09/15	GLL	.40	Review cd version of record book; correspondence to H. Schonfeld.
07/13/15	GLL	.20	Units A and B, 346 Jarvis: email from J. Merryweather; telephone call and email to L. Alves (Bank of Nova Scotia) re funds withdrawn from bank account.
07/13/15	MBS	1.40	Drafting notice of motion re: request that Dupont Mortgagees post security for costs in respect of their appeal; email exchange with L. Dagg re: affidavit of estimated costs for appeal; email to M. Dunn re: information required for affidavit of H. Schonfeld.
07/14/15	JCC	.20	Receipt and review of correspondence from M. Reinhart; letter to M. Reinhart; letter to J. Merryweather.
07/14/15	MSD	6.20	Drafting and revising factum re: Dupont mortgagee appeal.
07/14/15	CNI	1.10	Reviewing and drafting e-mails to M. Shneer re: motion for security for costs; discussing with M. Shneer re: same; reviewing rules re: appeal on motion;

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Invoice #650493 -- page 3

Date	TKID	Hours	Description
			beginning to draft my affidavit.
07/14/15	MBS	.40	Interoffice conference with C. Ierullo re: instructions on preparation of affidavit to enclose estimate bill of costs for appeal.
07/15/15	JCC	.30	Receipt and review of correspondence from J. Merryweather (x3); letters to M. Reinhart; letters to J. Merryweather; receipt and review of correspondence from M. Reinhart (x4); receipt and review of correspondence from H. Schonfeld.
07/15/15	MSD	2.30	Revising Rubino report per clients comments; reviewing appendices to same; drafting factum re: Dupont appeal; telephone call between M. Dunn and H. Schonfeld; corresponding with L. Zimmerman.
07/15/15	BFE	.20	Commenting on proposed draft Funding Order and discussing same with M. Dunn.
07/15/15	LKF	2.30	Reviewing Rules of Civil Procedure and researching case law for M. Shneer re: timing of bringing a motion for security for costs and the deadline for respondents to file additional evidence on appeal.
07/16/15	MSD	6.10	Finalizing and serving Rubino report; drafting factum re: Dupont appeal; drafting email re: Walton fees order.
07/16/15	CNI	.60	Revising my affidavit; compiling figures to be put in estimated bill of costs.
07/17/15	MSD	8.50	Further revising factum; responding to Dupont mortgagee appeal.
07/17/15	CNI	2.00	Drafting my affidavit and estimated bill of costs; discussing with M. Shneer and M. Dunn re: same.
07/18/15	MSD	2.00	Reviewing and revising appeal factum; compiling compendium and book of authorities.
07/19/15	MSD	4.70	Reviewing and revising appeal factum; compiling compendium and book of authorities.
07/20/15	JCC	.20	Receipt and review of correspondence from J. Merryweather (x2); letter to M. Reinhart; letters to J. Merryweather.
07/20/15	MSD	8.70	Finalizing and serving factum re: Dupont mortgagee appeal; corresponding with L. Zimmerman and S. Zuk by email re: follow-up from mortgagee sales; drafting report re: various issues.
07/21/15	MSD	1.30	Emailing re: 30 Hazelton and American Drive; drafting letter to court re:

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Invoice #650493 -- page 4

Date	TKID	Hours	Description
			filing issues; reviewing motion material re: housekeeping issues.
07/21/15	CNI	1.00	Updating estimated bill of costs; discussing with M. Dunn and M. Shneer re: same.
07/22/15	MSD	.10	Telephone call and emailing re: filing of appeal.
07/22/15	BFE	.20	Email correspondence with N. Walton and counsel re: scheduling her adjournment motion.
07/23/15	JCC	.20	Receipt and review of correspondence from J. Merryweather; letters to J. Merryweather; letter to M. Reinhart; receipt and review of correspondence from M. Reinhart.
07/24/15	BFE	.20	Reviewing and responding to emails re: request from Tarion about 1003 Queen Street East.
07/26/15	BFE	.20	Further editing of declaration requested by Tarion.
07/27/15	MSD	2.50	Drafting report re: fee approval and housekeeping matters.
07/27/15	GLL	.60	Update statement of receipts and disbursements of funds; email to H. Schonfeld, J. Merryweather; B. Empey, M. Dunn, K. Herlin; arrangements for deposit of funds.
07/31/15	JCC	.30	Telephone consultation with M. Reinhart; telephone consultation with L. D'Agostino; telephone consultation with M. Goldberg; telephone consultation with W. Cord.

OUR FEE

\$58,372.50

TKID	NAME	HOURS	RATE	TOTAL
BFE	Empey, Brian F.	1.40 hrs	\$850.00	\$1,190.00
JCC	Cosentino, Joe	1.20 hrs	\$785.00	\$942.00
KEH	Herlin, Ken	0.40 hrs	\$885.00	\$354.00
MSD	Dunn, Mark	83.10 hrs	\$605.00	\$50,275.50
MBS	Shneer, Michel	1.80 hrs	\$515.00	\$927.00
CNI	Ierullo, Christina	4.70 hrs	\$320.00	\$1,504.00
GLL	Lauzon, Gloria	4.20 hrs	\$435.00	\$1,827.00

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Invoice #650493 -- page 5

TKID	NAME	HOURS	RATE	TOTAL
LKF	Fulop, Larissa	5.50 hrs	\$230.00	\$1,265.00
DA	Clerk, Litigation	1.10 hrs	\$80.00	\$88.00
				\$58,372.50

DISBURSEMENTS

Telephone - Long Distance	1.63
Wire Charges	17.50
Copies	1,522.75
Computer Searches - QL System	123.10
CD Production	584.30
Delivery - Courier	63.47
Process Server	121.00
Computer Searches - Westlaw Carswell	37.00
Search - Sub	3.00

TOTAL DISBURSEMENTS	\$2,473.75
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TOTAL FEES ON THIS INVOICE	\$58,372.50
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HST ON FEES	7,588.43
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NON TAXABLE DISBURSEMENTS	0.00
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TAXABLE DISBURSEMENTS	2,473.75
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TOTAL DISBURSEMENTS ON THIS INVOICE	\$2,473.75
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HST ON TAXABLE DISBURSEMENT	321.59
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TOTAL THIS INVOICE (CANADIAN DOLLARS)	\$68,756.27
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TRUST FUNDS	\$712,745.78
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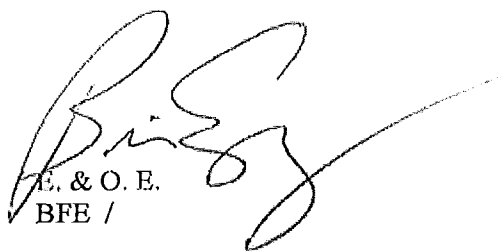
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Invoice #650493 -- page 6

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GOODMANS LLP


E. & O. E.
BFE /

This invoice may not reflect all time and disbursements incurred on this matter to date. It is payable upon receipt and in accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.30% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.

Goodmans^{LLP}

Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Invoice #650493 -- page 7

PAYMENT OPTIONS

**Cheque payable to GOODMANS LLP - mailed to our office; OR
by Wire Transfer - to Goodmans account:**

Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
<u>Beneficiary Bank:</u>	004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Brian F. Empey, Matter # 140074, Invoice # 650493 (Please include all invoice numbers)

*****Please also email Wire Payment Details to: collections@goodmans.ca***

This is Exhibit "F" referred to in the
affidavit of Brian Empey
sworn before me, this 27th
day of November, 2015.

A handwritten signature in black ink, consisting of several stylized, overlapping strokes, positioned above a horizontal line.

A Commissioner for Taking Affidavits

Goodmans^{LLP}

Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

September 28, 2015

Schonfeld Inc.
3000 North Tower, TD Centre
77 King St. W.
PO Box 85
Toronto, ON
Canada M5K 1G8

ATTENTION: S. Harlan Schonfeld

OUR FILE NO. SFDI 140074
OUR INVOICE NO. 652827
GST/HST REGISTRATION NO. R119422962

Re: Manager

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
08/05/15	BFE	.70	Correspondence from Court of Appeal; reviewing Walton Motion Record; emails re: instructions for August 6 9:30 attendance.
08/06/15	BFE	1.50	Attending 9:30 appointment before Newbould J. re: adjournment of Applicant's motion; reporting to client re: new schedule.
08/10/15	KEH	.10	Exchange emails re: reinvestment of funds.
08/17/15	MSD	1.80	Telephone call with J. Merryweather re: update and next steps; drafting report re: next steps; emailing correspondence with R. Fisher.
08/17/15	KEH	.10	Dealing with post-closing distribution of funds; exchange emails with working group re: same.
08/18/15	MSD	1.50	Call between M. Dunn and client; drafting demand letter; drafting settlement offer.
08/18/15	KEH	.10	At request of J. Merryweather dealing with disposition of trust proceeds and delivery of same.
08/18/15	GLL	.40	Numerous email; arrangements for preparation of cheque for 30-34 Meridian payable to Skyway Holdings Ltd. and deposit of same at Meridian Trust Company; update statement of receipts and disbursements of funds.



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Invoice #652827 -- page 2

Date	TKID	Hours	Description
08/19/15	JES	1.60	Meeting with M. Dunn re: instructions for drafting factum for motion to approve disallowance of Strada claim; researching case law for use in factum for motion to approve disallowance of Strada claim; drafting correspondence with C. Costa re: research plan.
08/20/15	JES	4.60	Meeting with C. Costa re: research plan; researching re: factum for motion to approve disallowance of Strada claim; drafting factum for motion to approve disallowance of Strada claim.
08/22/15	JES	3.90	Drafting factum for motion to approve disallowance of Strada claim.
08/23/15	JES	1.70	Drafting factum for motion to approve disallowance of Strada claim; drafting correspondence to M. Dunn re: review of factum for motion to approve disallowance of Strada claim.
08/24/15	MSD	5.20	Revising factum re: Rubino claim; drafting report re: claims processes and other issues.
08/25/15	MSD	5.00	Drafting report re: claims process; revising factum re: Rubino; reviewing letter re: Jarvis.
08/25/15	BFE	.20	Reviewing correspondence from J. Simpson re: 3270 American Drive and forwarding to H. Schonfeld and J. Merryweather.
08/26/15	MSD	4.70	Drafting motion material re: Rubino claim; reporting discharged properties claims process; revising Rubino factum.
08/26/15	JES	3.40	Meeting with M. Dunn re: motion to approve disallowance of Strada claim and instructions for factum review; reviewing and revising factum for motion to approve disallowance of Strada claim; researching damages and adverse inferences for factum for motion to approve disallowance of Strada claim; compiling book of authorities for motion to approve disallowance of Strada claim.
08/27/15	MSD	5.20	Revising Rubino motion material and factum; revising report re: claims process and other materials.
08/27/15	JES	3.90	Compiling book of authorities for motion to approve disallowance of Strada claim; attending at Schonfeld Inc. re: signing of 35th report; reviewing and revising factum for motion to approve disallowance of Strada claim; research re: drawing adverse inference from lack of documentary disclosure; preparing for and meeting with M. Dunn re: motion to approve disallowance of Strada claim.



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Invoice #652827 -- page 3

Date	TKID	Hours	Description
08/28/15	JES	1.10	Meeting with M. Dunn re: motion record for motion to approve disallowance of Strada claim; revising factum for motion to approve disallowance of Strada claim; meeting with M. Dunn re: instructions for drafting notice of motion for 35th Manager's Report.
08/31/15	MSD	5.50	Revising Rubino factum; reviewing book of authorities.
08/31/15	JES	3.20	Revising factum for motion to approve disallowance of Strada claim and citing to book of authorities; drafting notice of motion for 35th report.
09/01/15	MSD	2.50	Telephone call with P. Veel and D. Glatt; finalizing and serving factum re: Rubino and 35th Report.
09/01/15	JES	.90	Meeting with M. Dunn re: instructions for drafting motion materials; drafting orders for 34th and 35th reports.
09/02/15	JES	3.70	Drafting factum for motion on 35th report; meeting with M. Dunn re: motion materials for 34th and 35th reports.
09/03/15	MSD	2.70	Receiving and reviewing Rubino factum; reviewing law re: failure to cross-examine; drafting outline of argument; emailing re: Schedule C investors; reviewing orders and factum.
09/03/15	BFE	.50	Reviewing emails re: schedule C investors and September 8 motion; telephone conference and emails with M. Dunn re: service on schedule C investors and re: adjournment request from J. Brudner.
09/03/15	JES	5.80	Researching and drafting factum for 35th report; researching case law re: requirement to cross-examine on deficient affidavit; meeting with M. Dunn re: motion materials.
09/04/15	MSD	4.20	Review material and prepare for oral argument of Rubino motion; review material and prepare for oral argument of Dupont mortgagee appeal; emails with R. Fisher re: claims process for Schedule C discharge properties.
09/04/15	JES	4.10	Researching use of Manager's report as evidence; reviewing and revising motion materials for 34th and 35th reports; attending to filing of motion materials at Commercial List.
09/07/15	MSD	2.80	Preparing for oral hearing of Rubino motion; preparing for oral hearing of Dupont appeal; telephone conference with A. Blumenfeld re: Levytam issues and motion; emailing with R. Fisher.
09/07/15	JES	.30	Preparing motion materials for motions re: 34th and 35th reports.



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Invoice #652827 -- page 4

Date	TKID	Hours	Description
09/08/15	MSD	5.70	Preparing for and attending hearing of Rubino motion; preparing for argument of Dupont appeal.
09/08/15	JES	5.30	Preparing motion materials; attending at motions re: 35th report and disallowance of Strada claim.
09/09/15	MSD	3.90	Preparing for argument of Dupont appeal; telephone call with D. Glatt; emailing re: settlement offer.
09/10/15	BFE	.30	Reviewing Court decision re: Strada claim disallowance and reporting to client.
09/10/15	CNI	.90	Discussing with M. Dunn re: bill of costs for appeal; updating same.
09/16/15	MSD	7.00	Call between M. Dunn and client; e-mails with I. Zimmerman and I. Wallach; call between M. Dunn and counsel to purchaser of Royal Gate re: GN Silicon; e-mails with P. Shea re: claim; e-mails with real estate and appeal counsel re: DuPont mortgage balance; reviewing orders and forwarding to client; drafting M. Rubino order; reviewing e-mails re: outstanding issues.
09/16/15	CNI	.70	Discussing with M. Dunn re: costs of Rubino motion; reviewing dockets re: same.
09/17/15	CNI	.50	Compiling numbers for Rubino disallowance motion; discussing with M. Dunn re: same.
09/21/15	MSD	1.00	Drafting cost submissions re: Rubino; instructing J. Scholes re: cost outline and reviewing same; emailing re: Dupont.
09/21/15	CNI	.50	Discussing with M. Dunn and J. Scholes re: costs outline for Rubino disallowance motion; discussing with J. Scholes re: same.
09/21/15	JES	1.60	Telephone and e-mail correspondence with M. Dunn and C. Ierullo re: costs outline for Strada disallowance order; drafting costs outline for Strada disallowance order.

OUR FEE

\$52,584.00



Barristers & Solicitors

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333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

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Invoice #652827 -- page 5

TKID	NAME	HOURS	RATE	TOTAL
BFE	Empey, Brian F.	3.20 hrs	\$850.00	\$2,720.00
KEH	Herlin, Ken	0.30 hrs	\$885.00	\$265.50
MSD	Dunn, Mark	58.70 hrs	\$605.00	\$35,513.50
CNI	Ierullo, Christina	2.60 hrs	\$320.00	\$832.00
GLL	Lauzon, Gloria	0.40 hrs	\$435.00	\$174.00
JES	Scholes, Jane	45.10 hrs	\$290.00	\$13,079.00
				\$52,584.00

DISBURSEMENTS

Telephone - Long Distance	10.81
Copies	797.75
Conference Calls	4.54
Delivery - Courier	64.05
Process Server	360.00
Computer Searches - Westlaw Carswell	701.00

TOTAL DISBURSEMENTS	\$1,938.15
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TOTAL FEES ON THIS INVOICE	\$52,584.00
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HST ON FEES	6,835.92
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NON TAXABLE DISBURSEMENTS	0.00
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TAXABLE DISBURSEMENTS	1,938.15
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TOTAL DISBURSEMENTS ON THIS INVOICE	\$1,938.15
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HST ON TAXABLE DISBURSEMENT	251.96
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TOTAL THIS INVOICE (CANADIAN DOLLARS)	\$61,610.03
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TRUST FUNDS	\$712,811.38
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Goodmans^{LLP}

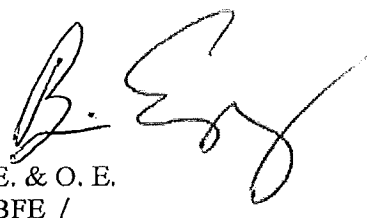
Barristers & Solicitors

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333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Invoice #652827 -- page 6

THIS IS OUR ACCOUNT HEREIN
GOODMANS LLP



E. & O. E.
BFE /

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Invoice #652827 -- page 7

PAYMENT OPTIONS

**Cheque payable to GOODMANS LLP - mailed to our office; OR
by Wire Transfer - to Goodmans account:**

Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
<u>Beneficiary Bank:</u>	004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Brian F. Empey, Matter # 140074, Invoice # 652827 (Please include all invoice numbers)

*****Please also email Wire Payment Details to: collections@goodmans.ca***

This is Exhibit "G" referred to in the
affidavit of Brian Empey
sworn before me, this 27th
day of November, 2015.



A Commissioner for Taking Affidavits



Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

November 4, 2015

Schonfeld Inc.
3000 North Tower, TD Centre
77 King St. W.
PO Box 85
Toronto, ON
Canada M5K 1G8

ATTENTION: S. Harlan Schonfeld

OUR FILE NO. SFDI 140074

OUR INVOICE NO. 654984

GST/HST REGISTRATION NO. R119422962

Re: Manager

TO OUR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE ABOVE NOTED
MATTER INCLUDING THE FOLLOWING:

Date	TKID	Hours	Description
09/02/15	MSD	1.00	Telephone call with P. Veel; reviewing material relevant to Rubino motion and Dupont material.
10/01/15	BFE	.30	Reviewing letter from D. Brooker re: West Mall; reviewing file re: payments to 368 Ontario; discussing with M. Dunn.
10/02/15	MSD	1.30	Telephone call with D. Glatt re: various issues; drafting Managers 36th Report.
10/05/15	MSD	1.30	Drafting letter to R. Fisher re: equity claims; drafting Manager's Report.
10/06/15	BFE	.30	Emails with J. Merryweather advising re: Walton properties.
10/07/15	MSD	.80	Telephone call with client re: next steps; following up with Brudner and L. Zimmerman.
10/09/15	JRC	1.00	Commissioning affidavit of H. Schonfeld for M. Dunn.
10/13/15	MSD	1.70	Finalizing and sending letter re: motion to vary; reviewing motion materials; reviewing motion of West Mall receiver; corresponding re: misstatements of fact in motion materials; emailing with J. Brudner.
10/13/15	BFE	.50	Receiving and reviewing Receiver's Motion Record (West Mall); emails with M. Dunn re: same.



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Invoice #654984 -- page 2

Date	TKID	Hours	Description
10/14/15	MSD	3.10	Telephone call with D. Glatt; finalizing and sending letter to D. Brooker; telephone call with D. Brooker; drafting report for October motion; telephone call with J. Brudner.
10/14/15	BFE	.20	Email to M. Dunn and emails with J. Merryweather re: West Mall Receivership.
10/15/15	MSD	1.00	Drafting motion materials; reviewing correspondence re: 295 The West Mall.
10/16/15	BFE	.50	Reviewing September 8 Order and previous claims process materials; emails with J. Merryweather re: changes needed for 3270 American Drive claims process.
10/19/15	MSD	.50	Emailing re: Rose & Thistle lawsuit and possible discharge of Ira Smith; drafting Managers report.
10/19/15	BFE	.30	Emails with J. Merryweather and M. Dunn re: Rose and Thistle claim, personal receivership.
10/19/15	GLL	.10	Email from J. Merryweather and email to L. Kennedy regarding notices of change of ownership for realty taxes and assessment notices for 0 Luttrell.
10/21/15	MSD	.50	Emailing re: personal receivership; reviewing motion materials re: November motion; emailing B. Cohen.
10/21/15	KEH	.40	Exchange emails with James Merryweather re: 47 Jefferson realty tax matters; briefly review agreements.
10/22/15	MSD	2.00	Telephone call with J. Merryweather; telephone call with B. Cohen; reviewing invoices for fee allocation methodology.
10/22/15	BFE	.60	Review and mark-up claim form for 3270 American Way claims process and email comments to J. Merryweather; telephone conference with M. Dunn re: personal receivership of the Waltons.
10/26/15	MSD	6.20	Drafting and revising fee approval report; discussing with client re: fee allocation; reviewing respondents' evidence and drafting report re: same; telephone call with client re: update and next steps.
10/26/15	BFE	.20	Discussing correspondence re: Applicants' motion and Respondents' adjournment request.
10/27/15	BFE	.40	Receipt and review of Receiver (Ira Smith) Motion for Discharge; email note to M. Dunn re: Receiver's Third Report.



Barristers & Solicitors

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Invoice #654984 -- page 3

Date	TKID	Hours	Description	
10/28/15	BFE	.20	Emails with M. Dunn re: tomorrow's case conference.	
10/29/15	BFE	1.40	Attending 9:30 case conference; reporting to client and M. Dunn by email; telephone conference with investor re: questions about proceeds from Schedule C properties.	
10/30/15	MSD	1.50	Reviewing invoices and preparing fee allocation methodology.	
10/30/15	BFE	.40	Dealing with and responding to correspondence from R. Fisher.	
OUR FEE				\$17,937.00
TKID	NAME	HOURS	RATE	TOTAL
BFE	Empey, Brian F.	5.30 hrs	\$850.00	\$4,505.00
KEH	Herlin, Ken	0.40 hrs	\$885.00	\$354.00
MSD	Dunn, Mark	20.90 hrs	\$605.00	\$12,644.50
JRC	Cohen, Jesse-Ross	1.00 hrs	\$390.00	\$390.00
GLL	Lauzon, Gloria	0.10 hrs	\$435.00	\$43.50
				\$17,937.00
DISBURSEMENTS				
	Copies		4.75	
	Conference Calls		2.54	
	Delivery - Courier		30.75	
	Distribution - Courier & Postage		19.42	
TOTAL DISBURSEMENTS				\$57.46
<hr/>				
TOTAL FEES ON THIS INVOICE				\$17,937.00
HST ON FEES				2,331.81
NON TAXABLE DISBURSEMENTS				0.00

Goodmans^{LLP}

Barristers & Solicitors

Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
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Invoice #654984 -- page 4

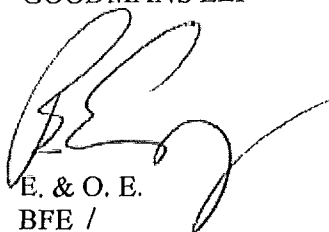
TAXABLE DISBURSEMENTS

57.46

TOTAL DISBURSEMENTS ON THIS INVOICE	\$57.46
HST ON TAXABLE DISBURSEMENT	7.47
TOTAL THIS INVOICE (CANADIAN DOLLARS)	\$20,333.74

TRUST FUNDS	\$1,360,495.39
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THIS IS OUR ACCOUNT HEREIN
GOODMANS LLP



E. & O. E.
BFE /

This invoice may not reflect all time and disbursements incurred on this matter to date. It is payable upon receipt and in accordance with Section 33 of the *Solicitors Act* (Ontario), interest will be charged at the rate of 1.30% per annum on unpaid fees, charges or disbursements calculated one month from the date this invoice is delivered.



Barristers & Solicitors

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Toronto, Ontario M5H 2S7

Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.ca

Invoice #654984 -- page 5

PAYMENT OPTIONS

**Cheque payable to GOODMANS LLP - mailed to our office; OR
by Wire Transfer - to Goodmans account:**

Canadian \$ General Account

<u>Beneficiary Bank:</u>	TD Canada Trust 394 Bay Street Toronto, ON M5H 2Y3
<u>Swift Code:</u>	TDOMCATTTOR
<u>Beneficiary:</u>	Goodmans LLP 333 Bay Street, Suite 3400 Toronto, ON M5H 2S7
<u>Beneficiary Bank:</u>	004
<u>Beneficiary Transit:</u>	12162
<u>Beneficiary Account:</u>	0552488
<u>Payment Details:</u>	Re: Brian F. Empey, Matter # 140074, Invoice # 654984 (Please include all invoice numbers)

*****Please also email Wire Payment Details to: collections@goodmans.ca***

This is Exhibit "H" referred to in the
affidavit of Brian Empey
sworn before me, this 27th
day of November, 2015.



A Commissioner for Taking Affidavits

Goodmans LLP

Billing Summary

File 140074 (Re: Manager) Apr.1 - Oct.31, 2015

Billing History					
Invoice #	Invoice Date	Fees	Cost	Tax	Total
644738	4/29/2015	117,233.00	2,784.17	15,552.70	135,569.87
646798	6/4/2015	39,001.00	1,961.19	5,325.08	46,287.27
648312	7/6/2015	40,192.00	652.65	5,309.80	46,154.45
650493	8/18/2015	58,372.50	2,473.75	7,910.02	68,756.27
652827	9/28/2015	52,584.00	1,938.15	7,087.88	61,610.03
Total		307,382.50	9,809.91	41,185.48	358,377.89

Timekeeper Summary - Billed					
Timekeeper	Full Name	Position	Bill Hours	Bill Amount	Billed Rate
MSD	Mark Dunn	Partner (Litigation)	261.50	158,207.50	605.00
GLL	Gloria Lauzon	Law Clerk (Real Estate)	60.00	26,100.00	435.00
MBS	Michel Shneer	Associate (Litigation)	45.00	23,175.00	515.00
KEH	Ken Herlin	Partner (Real Estate)	23.20	20,532.00	885.00
BFE	Brian F. Empey	Partner (Insolvency)	21.90	18,615.00	850.00
NCS	Nick Staubitz	Associate (Real Estate)	33.20	18,592.00	560.00
JCC	Joe Cosentino	Partner (Litigation)	20.10	15,778.50	785.00
JES	Jane Scholes	Articling Student	45.10	13,079.00	290.00
JAH	Jamie Habert	Articling Student	13.90	4,031.00	290.00
CNI	Christina Ierullo	Law Clerk (Litigation)	7.30	2,336.00	320.00
MJR	Matthew Rossetti	Articling Student	7.30	2,117.00	290.00
DVK	Danielle Knight	Summer Student	6.60	1,518.00	230.00
LKF	Larissa Fulop	Summer Student	5.50	1,265.00	230.00
DA	Litigation Clerk	No Rank (Litigation)	9.80	784.00	80.00
SAW	Samantha Woolley	Articling Student	2.40	696.00	290.00
JNW	Jason Wadden	Partner (Litigation)	0.40	284.00	710.00
JRC	Jesse-Ross Cohen	Articling Student	0.50	145.00	290.00
PM	Paula MacDonald	Law Clerk (Real Estate)	0.50	127.50	255.00
Total			564.20	307,382.50	
Average Billing Rate					544.81

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 Development 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 Developments Ltd.
29. Eddystone Place Inc.
30. Richmond Row Holdings Ltd.
31. El-Ad Limited
32. 165 Bathurst Inc.

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

DBDC SPADINA LTD., et al
Applicants

NORMA WALTON, et al
Respondents

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

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List

Proceeding commenced at Toronto

AFFIDAVIT OF SERVICE OF
BRIAN EMPEY
(Sworn November 27, 2015)

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

Brian Empey LSUC#: 30640G
Mark S. Dunn LSUC#: 55510L
Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for The Manager

M

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

**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 ON SCHEDULE B HERETO, TO BE
BOUND BY THE RESULT

**AFFIDAVIT OF S. HARLAN SCHONFELD
(Sworn November 27, 2015)**

I, S. HARLAN SCHONFELD, of the City of Toronto, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am the President of Schonfeld Inc., the court-appointed Manager in this proceeding and have knowledge of the facts and matters to which I hereinafter depose either through my own knowledge or by informing myself with respect thereto in which case I have indicated the source of my information and belief.

2. On November 5, 2013, pursuant to an order of the Honourable Justice Newbould (the **“Appointment Order”**), Schonfeld Inc. was appointed Manager of companies listed at Schedule “B” of the Appointment Order.

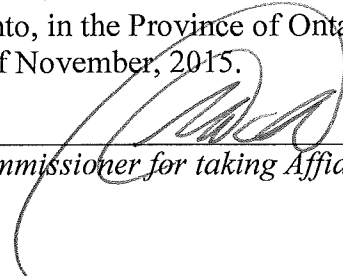
3. The Manager’s Mandate was further expanded to include certain other properties listed at Schedule “C” to the Judgment and Order of Justice Brown dated August 12, 2014 (the **“August 12 Order”**).

4. Attached hereto and marked as Exhibit “A” to my Affidavit is a true copy of the accounts rendered by the Manager for the period April 1, 2015 to November 3, 2015 (the **“Accounts Approval Period”**) for a total of \$240,278,46 inclusive of HST and disbursements.

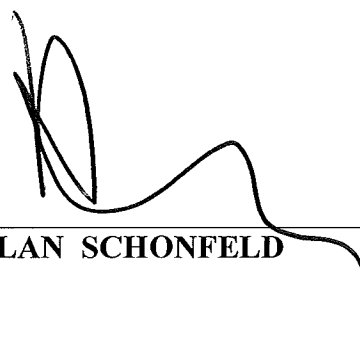
5. A total of approximately 720.5 hours were expended by the Manager during the Accounts Approval Period in performing services in its capacity as Manager pursuant to the Appointment Order.

6. The hourly billing rates outlined in **Exhibit “A”** to this Affidavit are normal average hourly rates charged by Schonfeld Inc. for services rendered in relation to engagements similar to its engagement as Manager in this matter. These accounts accurately reflect the services provided by the Manager in this matter.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario this 27th day of November, 2015.



A Commissioner for taking Affidavits



S. HARLAN SCHONFELD

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 Development 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 Developments Ltd.
29. Eddystone Place Inc.
30. Richmond Row Holdings Ltd.
31. El-Ad Limited
32. 165 Bathurst Inc.

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

A

This is Exhibit "A" referred to in the
affidavit of S. Harlan Schonfeld
sworn before me, this 27th
day of November, 2015.



A Commissioner for Taking Affidavits

Schonfeld Inc.

Receivers + Trustees

May 4, 2015

Norma Walton, Ronauld Walton
The Rose & Thistle Group Ltd. and
Eglinton Castle Inc.; and those
Corporations listed on Schedule "B"
of an Order made on November 5, 2013
30 Hazelton Avenue
Toronto, ON M5R 2E2

Invoice #945

* INVOICE *

Re: Court Appointed Manager's account

To: Professional services rendered for the period April 1, 2015
to April 30, 2015 under the terms of an Order dated
November 5, 2013 and August 12, 2014 as amended appointing
Schonfeld Inc. Manager, as detailed in the attached timedockets

Our fee:	\$ 50,270.00
HST @ 13%	<u>6,535.10</u>
Our fee	<u>\$ 56,805.10</u>

Total Fees	\$ 56,805.10
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S. Harlan Schonfeld CPA, CIRP	29.00	\$550	\$ 15,950.00
James Merryweather, CPA, CGA	61.00	\$400	\$ 24,400.00
Stephanie Williams	17.80	\$150	\$ 2,670.00
Rasha Morkos	145.00	\$50	\$ 7,250.00
TOTAL:	<u>252.80</u>		<u>\$ 50,270.00</u>

H.S.T. #87283 8339 RT0001

Tel. 416.862.7783 Fax. 416.862-2136
info@schonfeldinc.com

77 King Street West, Suite 3000, P O Box 95, Toronto, Ontario
M5K 1G8

Timedocket S Harlan Schonfeld CPA, CIRP
ENGAGEMENT NAME: Dr. Bernstein v Walton
Date: September 20, 2013

Apr1-15	meeting @ Goodmans to finalize and sign 28th report re sale of Jarvis; deal w/ Fee Affidavit	1.5
Apr6-15	t/ Goodmans re Fee Allocation motion material; Jarvis unit A closing issues; sign Fee Affidavit	1.0
Apr7-15	Jarvis Unit A closing issues-SOA;	1.0
Apr8-15	deal w/ unit B Jarvis APS and dd issues;	0.5
Apr9-15	conf call Dunn/Merryweather to discuss various matters; review and edit Manager's 29th Report	1.0
Apr10-15	attend at Goodmans to sign 29th Report	0.5
Apr13-15	deal w/346 Jarvis Unit B waiver and Unit F offers; Chestnut marketing report for sale of Unit B; various t/Goodmans & Simson;	2.0
Apr14--15	deal w/346 Jarvis offers and SOA; tax arrears, common element fees and special assesments	1.5
Apr15-15	finalize APS for Unit F 346 Jarvis; review draft SOA for Unit B	1.0
Apr16-15	In court to deal w/Front St distribution and Fee Approval and Fee Allocation motions; deal w/material and direction; deal w/closing Unit A - 346 Jarvis	7.5
Apr20-15	attend meeting @ Goodmans to discuss 346 Jarvis title, mortgage, and closing issues; t/Reitan re:claims processes	2.5
Apr22-15	Front Church dist;	1.0
Apr27-15	deal w/waiver unit F -346 Jarvis, tenant notice; Planning Act issues re Unit A-B-F; banking	2.5
Apr28-15	conf call w/Goodmans/Troister re title issues 346 Jarvis;	0.5
Apr29-15	deal w/American Dr sale & closing report; deal w/Unit F Cheatnut sales report; Meridian banking; emails re sale and Approval order - Unit B; Front Church final distribution	2.5

Timedocket S Harlan Schonfeld CPA, CIRP

ENGAGEMENT NAME: Dr. Bernstein v Walton

Date: September 20, 2013

Apr30-15 meet w/Troister to review and sign COA applications re
Jarvis units A-B-F; Front Church final distribution cheques;
deal w/Unit F SOA and closing issues; Meridian payout
statement; banking; 2.5

TOTAL	HARLAN SCHONFELD	29.0
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Timedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
JAMES MERRYWEATHER, CPA, CGA				
01-Apr-15	review banking, update cashflow, banking approval; funding analysis; prepare documents and letter for CRA audit; update fee allocation schedules; corr w counsel; tc w counsel;	6.5		
02-Apr-15	review banking, update cashflow, banking approval; mtg w SW to review proofs of claim, issue notices of disallowance, update claims database; corr w counsel; corr w creditors	4.5		
06-Apr-15	review banking, update cashflow, banking approval; prepare pmts re endorsement; conf call w counsel; prepare GST analysis for audits; prepare accounting; update sales realization schedule; mortgagee sale analysis and corr; prepare info for property sale; process AP	7.0		
07-Apr-15	review banking, update cashflow, banking approval; prepare docs and letter for CRA audit; tc w CRA; corr w creditors; review proofs of claim: dealing w 346 Jarvis sale	6.5		
08-Apr-15	review banking, update cashflow, banking approval; prepare docs and support for GST audit; tc w CRA; mtg w SW re review disputes, issue notices, update database; prepare GST analysis, file returns	6.0		
09-Apr-15	review banking, update cashflow, banking approval; prepare docs and letters for various GST audits; update sales realization schedules; tc w CBRE; prepare info for CB re West Mall; review draft Court report, provide comments; conf call w counsel	6.5		
10-Apr-15	review banking, update cashflow, banking approval; review proof of claim support; prepare notices of disallowance; prepare info for investors	3.5		
13-Apr-15	dealing with 346 Jarvis sale issues; various corr w HS, counsel; review dispute notice, corr w creditors	1.0		
14-Apr-15	tc w CRA; prepare docs, fax same re GST audit; dealing with 346 Jarvis sale issues; corr w City	1.5		
16-Apr-15	update sales analysis; dealing with GIC investments; review mortgagee accounting; corr w counsel	1.5		
20-Apr-15	review banking, update cashflow, banking approval; accounting for GICs re sales; dealing w utility issue; review Front St. distribution, corr w counsel; corr w Meridian, arrange for funds re: Academy distribution	3.0		

Timedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

21-Apr-15	corr w counsel; review draft Academy Lands Order; provide instructions to Meridian re payout	1.0
22-Apr-15	prepare FC distribution letters; deal w CRA issues	1.0
27-Apr-15	review banking, update chasflow, banking approval; update cashflow projections; prepare letter and support docs for GST audit; tc w CRA; corr w Insurer re Schedule C; prepare GST analysis, file returns	4.0
28-Apr-15	various tc w CRA re GST; prepare information for audits	1.5
29-Apr-15	dealing w 346F Jarvis sale issues; update cashflow projections; review FC amended Order; tc w CRA; update sales realization schedule; prepare info for M Buccl	2.5
30-Apr-15	prepare distribution ltr re FC distribution; tc w CRA; dealing w 346 Jarvis sale issues; corr w Atrium re GST; prepare GST analysis, file returns; dealing w El-Ad issue; review dispute notice	3.5

TOTAL	JAMES MERRYWEATHER	61.0
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Disbursements

Expense	GST/HST	Total
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
		\$ -
\$ -	\$ -	\$ -

Date	Notes	Hours
23-Apr-15	Attending onsite to assist with mail outs; Delivering cheque to DOJ; Emails to J. Merryweather.	1.80
22-Apr-15	Emails to creditors as per J. Merryweather's instructions; Emails with J. Merryweather and H. Schonfeld re Front Church distribution.	0.50
21-Apr-15	Emails with J. Merryweather and H. Shonfeld regarding Front Church distribution.	0.30
20-Apr-15	Emails with H. Schonfeld regarding Front Church distribution letters and cheques.	0.30
16-Apr-15	Emails with J. Merryweather regarding telephone calls received.	0.30
14-Apr-15	Responding to creditor emails as per J. Merryweather's instructions.	0.30
13-Apr-15	Forwarding creditor emails to J. Merryweather for response.	0.30
10-Apr-15	Emails to and from creditors as per J. Merryweather's instructions.	0.60
08-Apr-15	Emails and telephone calls with creditors as per J. Merryweather's instructions.	0.50
08-Apr-15	Working through claims review process with J. Merryweather; Issuing Notices of Disallowances and emails to creditors as per J. Merryweather's instructions.	2.80
07-Apr-15	Emails to and from creditors further to J. Merryweather's instructions.	0.50
02-Apr-15	Reviewing Schedule B and Schedule C Claims and emails and telephone calls to and from creditors as per J. Merryweather's instructions.	4.30
31-Mar-15	Emails to and from creditors as per J. Merryweather's instructions.	0.30
30-Mar-15	Attending onsite to review Schedule B and Schedule C claims. Emails to creditors as per J. Merryweather's instructions.	5.00
TOTAL	STEPHANIE WILLIAMS	17.80

Timedocket RASHA MORKOS
 ENGAGEMENT NAME Dr Bernstein
 Insolvency Date: Nov5-14

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
RASHA MORKOS, accountant				
Week ending				
March23-26	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager Information requests	37.0		
Mar30-Apr3	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager Information requests	36.0		
Apr6-Apr10	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager Information requests	36.0		
Apr13-Apr16	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager Information requests	36.0		
TOTAL	RASHA MORKOS	145.0		

Schonfeld Inc. Receivers + Trustees

June 1, 2015

Norma Walton, Ronauld Walton
The Rose & Thistle Group Ltd. and
Eglinton Castle Inc.; and those
Corporations listed on Schedule "B"
of an Order made on November 5, 2013
30 Hazelton Avenue
Toronto, ON M5R 2E2

Invoice #950

* INVOICE *

Re: Court Appointed Manager's account

To: Professional services rendered for the period May 1, 2015
to May 31, 2015 under the terms of an Order dated
November 5, 2013 and August 12, 2014 as amended appointing
Schonfeld Inc. Manager, as detailed in the attached timedockets

Our fee:	\$ 31,260.00
HST @ 13%	<u>4,063.80</u>
Our fee	\$ 35,323.80
disbursements	<u>75.07</u>
Total Fees and Disbursements	\$ 35,398.87

S. Harlan Schonfeld CPA, CIRP	14.00	\$550	\$ 7,700.00
James Merryweather, CPA, CGA	51.50	\$400	\$ 20,600.00
Stephanie Williams	8.90	\$150	\$ 1,335.00
Rasha Morkos	32.50	\$50	\$ 1,625.00
TOTAL:	<u>106.90</u>		<u>\$ 31,260.00</u>

H.S.T. #87283 8339 RT0001

Timedocket S Harlan Schonfeld CPA, CIRP
 ENGAGEMENT NAME: Dr. Bernstein v Walton
 Date: September 20, 2013

May4-15	deal w/ Front St 2nd distribution; finalize and attend at Goodmans to sign 31st Manager's report	1.5
May6-15	attend at Goodmans to review and sign closing documents for 346 Jarvis Unit F; review Claims procedure recommended distrblution;	2.0
May8-15	deal w/finalizing and signing 32nd Manager's report;	1.5
May26-15	review Parties Mediation briefs and prepare for Mediation; review accounting and reporting of sale proceeds and distributions to creditors; deal w/ May25th court attendance and results; 1485 Dupont sale results and reporting from mortgagee;	3.5
May27-15	attend and participate in Mediation;	5.0
May28-15	deal w/Luttrell Opinion of Value and marketing strategy;	0.5

TOTAL	HARLAN SCHONFELD	14.0
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Timedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
JAMES MERRYWEATHER, CPA, CGA				
01-May-15	review banking, update cashflow; process AP; prepare Cityview distribution analysis; dealing w 346 Jarvis sale issues; prepare GST analysis, file returns; review draft Court report, provide comments	3.5		
04-May-15	review banking, update cashflow; prepare GST analysis, file returns; dealing w insurance issue;	2.5		
05-May-15	update cashflow projections; dealing w 346 Jarvis sale issues; prepare GST analysis, file returns (Sch C); tc w counsel; prepare proposed distribution re claims process; update sales realization schedules;	4.5		
06-May-15	dealing w 346F Jarvis sale issues; tc w CRA re GST claim	0.5		
07-May-15	corr w counsel; review proof of claim issues	0.5		
08-May-15	review draft Court reports, provide comments and analysis; dealing with claim issues; tc w counsel; review banking, update cashflow; prepare distribution schedule	3.5		
11-May-15	review banking, update cashflow; prepare documents for GST audits (DR, Dewhurst); prepare schedule for proposed distribution; corr w mortgagee; proof of claim analysis; Cityview distribution issue	5.5		
13-May-15	prepare analysis for GST audit; tc w CRA; investment and planning analysis; corr w counsel	4.5		
15-May-15	prepare distribution schedule for claims process; update claims database, process AP; corr w creditors; corr w counsel; tc w CRA re GST issue	4.5		
19-May-15	review banking, update cashflow; corr w creditor; corr w counsel; prepare fee allocation accounting analysis	4.0		
20-May-15	dealing w 346 Jarvis issues re mortgage; review mortgagee accounting, update sales realization schedule; corr w counsel;	3.0		
21-May-15	dealing w 346 Jarvis mortgage issues; prepare cheques for claims process distribution; prepare investment analysis, process same; professional fee analysis;	4.0		
22-May-15	tc and corr w counsel; dealing w claim issue; corr w Tarlon re warranty program	1.5		

Timedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

25-May-15	review banking, update cashflow; fee allocations analysis and reconciliation; update sales realization schedule; prepare information for City of Toronto re rebate application	4.0
26-May-15	prepare documents and analysis for GST audit; tc w counsel; update sales realization analysis	2.5
27-May-15	prepare claims distribution letters; tc w counsel; finalize GST audit package, send to CRA; update accounting issues	2.5
28-May-15	tc w counsel; corr w creditor; tc w CRA	0.5

TOTAL	JAMES MERRYWEATHER	51.5
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Disbursements

	Expense	GST/HST	Total
Courier - CRA re Liberty Village Properties	\$ 15.66	\$ 0.78	\$ 16.44
Courier - CRA re Double Rose	\$ 10.47	\$ 1.57	\$ 12.04
Courier - Tarion re Queens Corner	\$ 13.74	\$ 1.79	\$ 15.53
Courier - City of Toronto re Eddystone	\$ 13.74	\$ 1.79	\$ 15.53
Courier - CRA re Skyway	\$ 13.74	\$ 1.79	\$ 15.53
			\$ -
			\$ -
			\$ -
			\$ -
	\$ 67.35	\$ 7.72	\$ 75.07

Date	Notes	Hours
29-May-15	Responding to creditor emails and telephone calls as per J. Merryweather's instructions.	0.50
28-May-15	Responding to creditor emails as per J. Merryweather's instructions.	0.30
27-May-15	Receiving emails from creditors and emails to J. Merryweather regarding same.	0.40
26-May-15	Responding to creditor emails as per J. Merryweather's instructions.	0.60
19-May-15	Responding to creditor emails and telephone calls as per J. Merryweather's instructions.	0.30
14-May-15	Telephone calls to creditors as per J. Merryweather's instructions.	0.30
12-May-15	Updating creditor contact chart as per J. Merryweather's instructions.	1.20
11-May-15	Telephone call with creditor; Emails to creditor as per J. Merryweather's instructions; Retrieving and forwarding MHBC's Cityview claim as per J. Merryweather's instructions; Reviewing creditor contact sheet.	1.00
8-May-15	Emails to and from J. Merryweather regarding claims process. Emails to creditors as per J. Merryweather's instructions.	0.80
5-May-15	Telephone call to Bell Canada re Front Church as per J. Merryweather's instruction, advising we have no information on the property.	0.30
4-May-15	Attending at the offices of SRT and creating and preparing mail outs for Front Church cheque distribution.	2.00
1-May-15	Sending emails regarding Front Church Properties as per J. Merryweather's instructions. Telephone call to creditor as per J. Merryweather's instructions.	1.20

TOTAL	STEPHANIE WILLIAMS	8.90
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Timedocket RASHA MORKOS
ENGAGEMENT NAME Dr Bernstein
Insolvency Date: Nov5-14

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
RASHA MORKOS, accountant				
Week ending				
APR20-23	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager information requests	32.5		
TOTAL	RASHA MORKOS	32.5		

262

Schonfeld Inc.
Receivers + Trustees

July 6, 2015

Norma Walton, Ronauld Walton
The Rose & Thistle Group Ltd. and
Eglinton Castle Inc.; and those
Corporations listed on Schedule "B"
of an Order made on November 5, 2013
30 Hazelton Avenue
Toronto, ON M5R 2E2

Invoice #955

*** INVOICE ***

Re: Court Appointed Manager's account

To: Professional services rendered for the period June 1, 2015
to June 30, 2015 under the terms of an Order dated
November 5, 2013 and August 12, 2014 as amended appointing
Schonfeld Inc. Manager, as detailed in the attached timedockets

Our fee:	\$ 26,815.00
HST @ 13%	<u>3,485.95</u>
Our fee	\$ 30,300.95
disbursements: Briarlane Management Fee for maintaining books for Sch B and C properties - incl HST	5,650.00
courier charges incl HST	<u>157.46</u>
Total Fees and Disbursements	<u>\$ 36,108.41</u>

S. Harlan Schonfeld CPA, CIRP	6.00	\$550	\$ 3,300.00
James Merryweather, CPA, CGA	49.50	\$400	\$ 19,800.00
Stephanie Williams	3.10	\$150	\$ 465.00
Rasha Morkos	65.00	\$50	\$ 3,250.00
TOTAL:	<u>123.60</u>		<u>\$ 26,815.00</u>

H.S.T. #87283 8339 RT0001

Tel. 416.862.7785 Fax. 416.862-2136
info@schonfeldinc.com

77 King Street West, Suite 3000, P O Box 95, Toronto, Ontario.
M5K 1G8

Timedocket S Harlan Schonfeld CPA, CIRP

ENGAGEMENT NAME: Dr. Bernstein v Walton

Date: September 20, 2013

June 1-15	deal w/accounting and banking; BL ongoing accounting engagement and fee structure;	1.0
June 3-15	deal w/ banking and Jarvis sale proceeds; Luttrell LOI	0.5
June 8-15	deal w/offer and signback for Luttrell - to w/agent	1.0
June 15-15	deal w/signback and firm APS for Luttrell	0.5
June 22-15	deal w/Manager's 33rd report on the Luttrell sale approval; and sale issues	1.5
June 24-15	at Goodmans to sign closing documents for Luttrell sale	1.0
June 26-15	deal w/ court hearing issues for funding by Norma Walton, and endorsement	0.5
TOTAL	HARLAN SCHONFELD	6.0

Timedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
JAMES MERRYWEATHER, CPA, CGA				
01-Jun-15	review banking, update cashflow; prepare GIC Investments; accounting analysis re fee allocation, transfers and proceeds of sale; dealing with claim payment issues; corr w counsel	7.0		
02-Jun-15	tc w CRA; process AP; prepare claim distribution cheques and letters, send same; corr w mortgagee; dealing w City re tax issue;	4.5		
03-Jun-15	prepare claim distribution cheques and letters, send same; update claims database; process AP; update cashflow projections; corr w CRA; update sales realization schedules; invest sale proceeds	4.0		
08-Jun-15	review banking, update cashflow; corr w creditor; corr w counsel; prepare info for llen Court; prepare accounting re fee allocations, tax issues, investments;	5.5		
09-Jun-15	process AP; prepare accounting re fee allocations, tax issues and investments; dealing with claims issues	3.0		
11-Jun-15	review banking, update cashflow; corr w creditor; dealing w claim issues; corr w CRA; prepare GST analysis, file returns; accounting analysis	4.0		
15-Jun-15	review banking, update cashflow; corr w creditor; tc w CRA; tcw Ministry of Finance; corr w counsel re claims issues; detailed financial analysis; prepare GST analysis, file returns	5.0		
16-Jun-15	review banking and investments; detailed accounting analysis; prepare GST analysis, file returns	3.5		
22-Jun-15	review banking, update cashflow; dealing w O Luttrell sale issues; corr w counsel; dealing w claims process	1.0		
23-Jun-15	re-invest GICs; process AP; corr w mortgagee; corr w utility; review and sign Court report; dealing w GST issues; accounting and reconciliation of funding	3.0		
25-Jun-15	dealing w tax and accounting issues; corr w counsel; update sales realization schedule;	2.5		
26-Jun-15	corr w creditor; corr w counsel; prepare analysis for Court	0.5		

Timedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

29-Jun-15	review banking, update cashflow; dealing w claims payments; corr w counsel; arrange banking; update sales realization schedule	1.5
30-Jun-15	prepare documents and analysis for GST audit, send same to CRA; tc w CRA; corr w creditor; detailed accounting for Investments, fees, mortgagee accounting	4.5
TOTAL JAMES MERRYWEATHER		49.5

Disbursements

	Expense	GST/HST	Total
Courier-City of Toronto	\$ 35.04	\$ 4.56	\$ 39.60
Courier-Harbour Mortgage	\$ 13.77	\$ 1.79	\$ 15.56
Postage-claim payments	\$ 28.80	\$ 3.74	\$ 32.54
Courier - DOJ re claim	\$ 13.77	\$ 1.79	\$ 15.56
Courier-Briarlane	\$ 24.37	\$ 3.17	\$ 27.54
Courier-CRA	\$ 10.49	\$ 1.57	\$ 12.06
Courier-Mellillo	\$ 12.92	\$ 1.68	\$ 14.60
	\$ 139.16	\$ 18.30	\$ 157.46

Date	Notes	Hours
19-Jun-15	Responding to creditors as per J. Merryweather's instructions.	0.50
12-Jun-15	Responding to creditor emails.	0.30
8-Jun-15	Responding to telephone calls as per J. Merryweather's instructions.	0.80
3-Jun-15	Responding to creditor emails as per J. Merryweather's instructions. Preliminary review of latest Court Order,	1.00
2-Jun-15	Responding to creditor emails as per J. Merryweather's Instructions.	0.50
TOTAL STEPHANIE WILLIAMS		3.10

Timedocket RASHA MORKOS

ENGAGEMENT NAME Dr Bernstein

Insolvency Date: Nov5-14

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
RASHA MORKOS, accountant				
June 1-15	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager information requests	9.0		
June 2-15	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager information requests	9.0		
June 8-15	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager information requests	9.0		
June 9-15	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager information requests	5.5		
June 15-15	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager information requests	9.0		
June 16-15	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager information requests	9.0		
June 23-15	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager information requests	5.5		
June 30-15	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager information requests	9.0		
TOTAL	RASHA MORKOS	65.0		

Briarlane Rental Property Management Inc.

85 Spy Court
Suite 100
Markham, Ontario
L3R 4Z4

Invoice

Date	Invoice #
6/30/2015	20663

Invoice To
Schonfeld Inc 77 King St. West, Suite 3000, P.O. Box 95 TD Centre North Tower Toronto, ON M5K 1G8

P.O. No.	Terms	Project

Description	Qty	Rate	Amount
Management Fees for maintaining the books for all the Schedule B and Schedule C properties		5,000.00	5,000.00
HST (ON) on sales		13.00%	650.00
		Total	\$5,650.00
		Payments/Credits	\$0.00
		Balance Due	\$5,650.00

August 4, 2015

Norma Walton, Ronauld Walton
The Rose & Thistle Group Ltd. and
Eglinton Castle Inc.; and those
Corporations listed on Schedule "B"
of an Order made on November 5, 2013
30 Hazelton Avenue
Toronto, ON M5R 2E2

Invoice #960

*** INVOICE ***

Re: Court Appointed Manager's account

To: Professional services rendered for the period July 1, 2015
to July 31, 2015 under the terms of an Order dated
November 5, 2013 and August 12, 2014 as amended appointing
Schonfeld Inc. Manager, as detailed in the attached timedockets

Our fee:	\$ 20,275.00
HST @ 13%	<u>2,635.75</u>
Our fee	\$ 22,910.75
disbursements: Briarlane Management Fee for maintaining books for Sch B and C properties - incl HST	5,650.00
courier charges incl HST	<u>167.46</u>
Total Fees and Disbursements	\$ 28,718.21

	Hours	Hourly Rate	Total
S. Harlan Schonfeld CPA, CIRP	5.50	\$550	\$ 3,025.00
James Merryweather, CPA, CGA	40.00	\$400	\$ 16,000.00
Stephanie Williams	3.50	\$150	\$ 525.00
Rasha Morkos	14.50	\$50	\$ 725.00
TOTAL:	<u>63.50</u>		<u>\$ 20,275.00</u>

H.S.T. #87283 8339 RT0001

Tel. 416.862.7785 Fax. 416.862-2136
info@schonfeldinc.com
438 77 King Street West, Suite 3000, P O Box 95, Toronto, Ontario
M5K 1G8

Timedocket S Harlan Schonfeld CPA, CIRP

ENGAGEMENT NAME: Dr. Bernstein v Walton

Date: September 20, 2013

July 2-15	dealing w/ Luttrell closing; review realization of sale proceeds schedule; banking	1.0
July 14-15	banking and cheques	0.5
July 16-15	review draft 34th report and appendices, provide comments, arrange to finalize and sign report	1.5
July 17-15	deal w/Funding order	0.5
July 20-15	deal w/ update to open and outstanding issues	0.5
July 27-15	review Tarlon request and issues re: Queen St E property;	0.5
July 30-15	banking, cheques, deal w/Funding order and payment	1.0

TOTAL	HARLAN SCHONFELD	5.5
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TImedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
JAMES MERRYWEATHER, CPA, CGA				
02-Jul-15	prepare info for City of Toronto re realty tax rebate; dealing w O Luttrell closing; update sales realization schedule	1.0		
03-Jul-15	prepare letter to City re realty tax rebate; dealing w insurance cancellation; tc w CRA	1.0		
06-Jul-15	review banking, update cashflow; accounting analysis and reconciliation; GST analysis, file returns; tc w counsel; tc w CRA; dealing w insurance	8.0		
07-Jul-15	prepare GST analysis, file returns; monthly accounting analysis; tc w CRA; analysis of Sch C property sale	4.5		
09-Jul-15	review draft Court report, provide comments; dealing w Hazelton sale proceeds; corr w preferred shareholders; corr w TO Hydro; tc w CRA;	2.5		
10-Jul-15	corr w creditor; dealing with CRA audit; corr w counsel	0.5		
13-Jul-15	review banking, update cashflow; accounting for investments, property sales, taxes; corr w CRA re GST audits; prepare GST analysis, file returns (Schedule C); review bank recs and accounting	5.0		
15-Jul-15	review banking, update cashflow; review draft Court report, provide comments, schedules; prepare and send letter and support re GST audit; various tc w CRA; corr w counsel re claims process	4.0		
16-Jul-15	review banking; review Court report and appendices	0.5		
20-Jul-15	review banking, update cashflow; update investments; dealing w Queen's Corner warranty; tc w CRA; tc w creditor; process accounting	2.0		
23-Jul-15	review banking, update cashflow; update projections; update sale realization schedules; prepare Sch C accounting; tc w CRA re GST; tc w MPAC re: tax rebates; prepare schedule for report; dealing with claims issues; corr w utility; prepare GST analysis, file returns	5.5		
24-Jul-15	dealing w United Empire sale proceeds; update sales realization schedule; various tc w CRA; dealing with Tarion	2.0		

Timedocket James Merryweather
ENGAGEMENT NAME DR. BERNSTEIN v WALTON
Insolvency Date:

27-Jul-15	review banking, update cashflow; various tcw CRA; dealing w Tarion Issue; dealing with City of Toronto re vacancy rebates	2.5
30-Jul-15	prepare Court-approved fees for counsel; corr w Tarion re insurance; review Silicor Issue, provide to counsel	1.0
TOTAL	JAMES MERRYWEATHER	40.0

Date	Notes	Hours
29-Jul-15	Responding to Creditor Voicemail and email to J. Merryweather regarding same.	0.50
27-Jul-15	Tending to creditor emails as per J. Merryweather's instructions.	0.30
20-Jul-15	Emails as per J. Merryweather's instructions.	1.00
13-Jul-15	Emails as per J. Merryweather's instructions.	0.50
9-Jul-15	Responding to creditor emails as per J. Merryweather's instruction.	0.30
8-Jul-15	Telephone conversation with non-Schonfeld Inc. creditor and subsequent emails with J. Merryweather regarding the same.	0.60
7-Jul-15	Tending to creditor emails as per J. Merryweather's direction.	0.30

TOTAL	STEPHANIE WILLIAMS	3.50
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Timedocket RASHA MORKOS
ENGAGEMENT NAME Dr Bernstein
Insolvency Date: Nov5-14

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
RASHA MORKOS, accountant				
July 6-15	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager Information requests	7.0		
July 21-15	accounts payable input, and cheque production; assemble information for CRA tax audits, prepares FS and analysis, and responding to Manager Information requests	7.5		
TOTAL RASHA MORKOS		14.5		

Briarlane Rental Property Management Inc.

85 Spy Court
Suite 100
Markham, Ontario
L3R 4Z4

Invoice

Date	Invoice #
7/31/2015	20866

Invoice To
Schonfeld Inc 77 King St. West, Suite 3000, P.O. Box 95 TD Centre North Tower Toronto, ON M5K 1G8

P.O. No.	Terms	Project

Description	Qty	Rate	Amount
Management Fees for maintaining the books for all the Schedule B and Schedule C properties		5,000.00	5,000.00
HST (ON) on sales		13.00%	650.00
		Total	\$5,650.00
		Payments/Credits	\$0.00
		Balance Due	\$5,650.00

GST/HST No.

864340849

Schonfeld Inc.

Management Professionals

September 1, 2015

Norma Walton, Ronauld Walton
The Rose & Thistle Group Ltd. and
Eglinton Castle Inc.; and those
Corporations listed on Schedule "B"
of an Order made on November 5, 2013
30 Hazelton Avenue
Toronto, ON M5R 2E2

Invoice #965

INVOICE

Re: Court Appointed Manager's account

To: Professional services rendered for the period August 1, 2015
to August 31, 2015 under the terms of an Order dated
November 5, 2013 and August 12, 2014 as amended appointing
Schonfeld Inc. Manager, as detailed in the attached timedockets

Our fee: \$ 14,650.00

HST @ 13% 1,904.50

Our fee \$ 16,554.50

disbursements: Briarlane Management Fee for
maintaining books for Sch B and C
properties - incl HST
courier charges incl HST

5,650.00
15.77

Total Fees and Disbursements

\$ 22,220.27

	Hours	Hourly Rate	Total
S. Harlan Schonfeld CPA, CIRP	7.00	\$550	\$ 3,850.00
James Merryweather, CPA, CGA	27.00	\$400	\$ 10,800.00
TOTAL:	<u>34.00</u>		<u>\$ 14,650.00</u>

H.S.T. #87283 8399 RT0001

Tel. 416.862.7785 Fax. 416.862-2136
info@schonfeldinc.com

431 77 King Street West, Suite 3000, P O Box 95, Toronto, Ontario
M5K 1G8

Timedocket S Harlan Schonfeld CPA, CIRP
ENGAGEMENT NAME: Dr. Bernstein v Walton
Date: September 20, 2013

Aug 6-15	conf call w/JM o/s legal issues and accounting issue	3.0
Aug 11-15	conf call w/JM and mtg w/G Moulton to discuss o/s legal and accounting issues	2.5
Aug 26-15	review and comment on draft Managaer's 35th Report; call w/Dunn to review various legal issues	1.5

TOTAL	HARLAN SCHONFELD	7.0
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Timedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
JAMES MERRYWEATHER, CPA, CGA				
04-Aug-15	review banking, update cashflow; analysis of Peel settlement offer; update sales realization schedules; GIC investing; review Court materials; tc w CRA; prepare docs for GST audit	4.0		
05-Aug-15	tc w CRA; prepare support docs for City of Toronto refund application	1.0		
06-Aug-15	conf. call w HS re o/s legal issues; update tax summary; review accounting issues	3.0		
10-Aug-15	review banking, update cashflow; prepare GST analysis, file returns; process AP; dealing with accounting issues	3.0		
11-Aug-15	review and finalize financials; conf call w HS/ G Moulton re o/s issues; prepare schedule; corr w counsel	4.0		
12-Aug-15	prepare financials (Sch C); dealing with final proceeds from 2354 Bayview	1.5		
14-Aug-15	prepare documents; corr w West Mall Receiver; update sales realization schedule; dealing w add'l sale proceeds	1.0		
17-Aug-15	review financials and cash investments; tc w counsel	0.5		
18-Aug-15	review banking, update cashflow; tc w CRA; dealing w investment proceeds	1.0		
19-Aug-15	review settlement proposal, corr w counsel; prepare Sch C accounting; process AP; corr w WM Receiver; tc w CRA	1.5		
21-Aug-15	update cashflow; prepare documents for City re tax rebate applications; review settlement proposal; corr w Tarion re refund; prepare GST analysis, file return; tc w CRA	2.5		
24-Aug-15	review banking, update cashflow; corr w mortgagee	1.0		
26-Aug-15	prepare schedule for report; tc w counsel; review City of Toronto corr., tc w City re tax rebate; review draft report	2.0		
27-Aug-15	review proofs of claim; review final Court report, sign same	1.0		
TOTAL	JAMES MERRYWEATHER	27.0		

Disbursements

Courier - City of Toronto

Expense	GST/HST	Total
\$ 13.96	\$ 1.81	\$ 15.77
\$ 13.96	\$ 1.81	\$ 15.77

Schonfeld Inc.
Receivers+Trustees

October 6, 2015

Norma Walton, Ronauld Walton
The Rose & Thistle Group Ltd. and
Eglinton Castle Inc.; and those
Corporations listed on Schedule "B"
of an Order made on November 5, 2013
30 Hazelton Avenue
Toronto, ON M5R 2E2

Invoice #970

INVOICE

Re: Court Appointed Manager's account

To: Professional services rendered for the period September 1, 2015
to September 30, 2015 under the terms of an Order dated
November 5, 2013 and August 12, 2014 as amended appointing
Schonfeld Inc. Manager, as detailed in the attached timedockets

Our fee: \$ 14,655.00
HST @ 13% 1,905.15

Our fee \$ 16,560.15

disbursements: Briarlane Management Fee for
maintaining books for Sch B and C
properties - Incl HST
courier charges Incl HST 5,650.00

Total Fees and Disbursements

\$ 22,210.15

S. Harlan Schonfeld CPA, CIRP	1.00	\$550	\$ 550.00
James Merryweather, CPA, CGA	29.00	\$400	\$ 11,600.00
Stephanie Williams	16.70	\$150	\$ 2,505.00
TOTAL:	<u>46.70</u>		<u>\$ 14,655.00</u>

H.S.T. #87283 8339 RT0001

Tel. 416.862.7785 Fax. 416.862-2136
info@schonfeldinc.com
77 King Street West, Suite 3000, P O Box 95, Toronto, Ontario
M5K 1G8

Timedocket S Harlan Schonfeld CPA, CIRP

ENGAGEMENT NAME: Dr, Bernstein v Walton

Date: September 20, 2013

Sept16-15 conf call w/Dunn & Merryweather to review various
matters

1.0

TOTAL	HARLAN SCHONFELD
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1.0

Timedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
JAMES MERRYWEATHER, CPA, CGA				
01-Sep-15	review banking, update cashflow; GST analysis, file returns; tc w City re vacancy rebates	2.0		
02-Sep-15	dealing w Sch C financials; prepare docs for City assessment re tax rebate	0.5		
04-Sep-15	prepare database for Sch C claims process; prepare supplemental info for City of TO re vacancy rebate	1.5		
08-Sep-15	review banking, update cashflow; process AP; update sales realization schedules; prepare claims database	2.0		
10-Sep-15	dealing w WM issues; prepare creditor database	3.0		
14-Sep-15	review banking, update cashflow; update creditor database	1.0		
16-Sep-15	tc w CRA, dealing w GST issues; dealing w Cityview/N Dancer claims; tc w counsel; dealing w AR collections; corr w Insurer	3.5		
18-Sep-15	tc w CRA; prepare docs for GST audits; tc w SW re claims process launch; tc w counsel	2.5		
21-Sep-15	review banking, update cashflow; process funding repayment; prepare docs for claims process (Atala and 30A Hazelton); invest funds	2.0		
22-Sep-15	tc w SW re claims process documents, launch; prepare docs for CRA audit; tc w CRA; prepare ad and posting documents	2.5		
23-Sep-15	prepare analysis of mortgage issue; prepare documents for CRA audit; various tc w City re vacancy rebate; dealing w property issue	1.5		
24-Sep-15	prepare claims packages for distribution; analysis of 30 and 30A sale, mortgage issues, prepare accounting	2.5		
28-Sep-15	review banking, update cashflow; prepare cashflow projections; update claims register, review proofs of claim; update sales realization schedules; accounting issues	2.0		
30-Sep-15	prepare GST analysis; prepare accounting re Sch C property sales; prepare docs for Cityview claim; dealing w GIC reinvestments; review proofs of claim	2.5		

Timedocket James Merryweather
ENGAGEMENT NAME DR. BERNSTEIN v WALTON
Insolvency Date:

TOTAL	JAMES MERRYWEATHER	29.0
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Disbursements

Courier - CRA

Expense	GST/HST	Total
\$ 15.87	\$ 0.79	\$ 16.66
		\$ -
\$ 15.87	\$ 0.79	\$ 16.66

Date	Hours	Property	Notes
18-Sep-15	1.00	01 General	General - Telephone call with J. Merryweather mapping out the claims procedure process for the Schedule C properties. Follow-up discussion with SJE regarding docketing procedures.
21-Sep-15	0.50	02 Atala	02 Atala - Identifying and where able obtaining creditor contact information where information is missing for creditors in the
21-Sep-15	0.50	03 30A	03 30A - Identifying and where able obtaining creditor contact information where information is missing for creditors in the
22-Sep-15	1.60	01 General	General - Meeting with J. Merryweather to prepare for claims processes for 30 and 30A Hazelton. Reviewing emails sent by J.
23-Sep-15	1.30	02 Atala	02 Atala - Preparing to launch claims process for Atala Investments. Obtaining creditor information and emails to J.
23-Sep-15	1.30	03 30A	03 30A - Preparing to launch claims process for 30A Hazelton. Obtaining creditor information and emails to J. Merryweather.
24-Sep-15	2.20	02 Atala	02 Atala - Preparing and proofing email for claims process. Emails to and from J. Merryweather, and calls with creditors as per J.
24-Sep-15	2.20	03 30A	03 30A - Preparing and proofing email for claims process. Emails to and from J. Merryweather, and calls with creditors as per J.
25-Sep-15	0.90	02 Atala	02 Atala - Launching claims process and responding to creditor emails as per J. Merryweather's instructions.
25-Sep-15	0.90	03 30A	03 30A - Launching claims process and responding to creditor emails as per J. Merryweather's instructions.
28-Sep-15	0.40	02 Atala	02 Atala - Sending out additional claims procedure emails as per J. Merryweather's instructions and telephone call with Enbridge. Responding to creditors as per J. Merryweather's instructions and updating claims procedure's database.
28-Sep-15	0.40	03 30A	03 30A - Sending out additional claims procedure emails as per J. Merryweather's instructions and telephone call with Enbridge. Responding to creditors as per J. Merryweather's instructions and updating claims procedure's database.
28-Sep-15	2.10	01 General	General - Reviewing emails for potential creditors in up coming Schedule C claims processes and emails to J. Merryweather regarding same. Telephone call with Ministry of Finance re Front Church and emails with J. Merryweather regarding same.
29-Sep-15	0.30	02 Atala	02 Atala - Corresponding with creditors as per J. Merryweather's instructions and documenting proofs of claim that have been
29-Sep-15	0.30	03 30A	03 30A - Corresponding with creditors as per J. Merryweather's instructions and documenting proofs of claim that have been
30-Sep-15	0.40	02 Atala	02 Atala - Responding to creditor emails and telephone calls as per J. Merryweather's instructions.
30-Sep-15	0.40	02 Atala	02 Atala - Responding to creditor emails and telephone calls as per J. Merryweather's instructions.
TOTAL	16.70	STEPHANIE WILLIAMS	

Briarlane Rental Property Management Inc.

85 Spy Court
 Suite 100
 Markham, Ontario
 L3R 4Z4

Invoice

Date	Invoice #
10/1/2015	21334

Invoice To
Schonfeld Inc 77 King St. West, Suite 3000, P.O. Box 95 TD Centre North Tower Toronto, ON M5K 1G8

P.O. No.	Terms	Project

Description	Qty	Rate	Amount
Management Fees for maintaining the books for all the Schedule B and Schedule C properties		5,000.00	5,000.00
HST (ON) on sales		13.00%	650.00
		Total	\$5,650.00
		Payments/Credits	\$0.00
		Balance Due	\$5,650.00

Schonfeld Inc.
Receivers + Trustees

November 3, 2015

Norma Walton, Ronauld Walton
The Rose & Thistle Group Ltd. and
Eglinton Castle Inc.; and those
Corporations listed on Schedule "B"
of an Order made on November 5, 2013
30 Hazelton Avenue
Toronto, ON M5R 2E2

Invoice #975

*** INVOICE ***

Re: Court Appointed Manager's account

To: Professional services rendered for the period October 1, 2015
to October 31, 2015 under the terms of an Order dated
November 5, 2013 and August 12, 2014 as amended appointing
Schonfeld Inc. Manager, as detailed in the attached timedockets

Our fee: \$ 29,275.00

HST @ 13% 3,805.75

Our fee \$ 33,080.75

disbursements: Briarlane Management Fee for
maintaining books for Sch B and C
properties - incl HST
courier charges incl HST

5,650.00
86.70

Total Fees and Disbursements

\$ 38,817.45

	Hours	Hourly Rate	Total
S. Harlan Schonfeld CPA, CIRP	5.0	\$550	\$ 2,750.00
James Merryweather, CPA, CGA	53.0	\$400	\$ 21,200.00
Stephanie Williams	35.5	\$150	\$ 5,325.00
TOTAL:	<u>93.5</u>		<u>\$ 29,275.00</u>

H.S.T. #87283 8339 RT0001

Tel. 416.862.7785 Fax. 416.862-2136

info@schonfeldinc.com

77 King Street West, Suite 3000, P O Box 95, Toronto, Ontario
M5K 1G8

(8

Timedocket S Harlan Schonfeld CPA, CIRP

ENGAGEMENT NAME: Dr. Bernstein v Walton

Date: September 20, 2013

Oct 9-15	deal w/Fee affidavit - finalize and sign	1.0
Oct 14-15	deal w/various emails re: legal issues and correp.	1.0
Oct 16-15	review Collins Barrow report and Dejong filing	1.0
Oct 27-15	conf call w/Dunn & Merryweather re: various issues, Fee allocation schedule review and analysis	1.5
Oct 30-15	banking various property receipts	0.5

TOTAL	HARLAN SCHONFELD	5.0
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Timedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

DATE	DESCRIPTION	TIME (hh/mm)	HOURLY RATE	AMOUNT
JAMES MERRYWEATHER, CPA, CGA				
02-Oct-15	review banking, update cashflow; prepare info for Cityview tenant claim; review proofs of claim, corr w creditors	1.5		
05-Oct-15	prepare GST analysis, file returns; tc w CRA; prepare analysis for CRA claim; finalize Cityview tenant analysis	2.0		
06-Oct-15	prepare documents for claims process (1780355, Bible Hill); tc w CRA re GST audit; corr w Tarion; accounting analysis	2.5		
07-Oct-15	prepare GST analysis, file returns (various); prepare documents for claims process; process AP	3.0		
08-Oct-15	prepare GST analysis, file returns (various); update accounting records; prepare claims documents; prepare documents for Court report:	5.0		
13-Oct-15	review banking, update cashflow; review proofs of claim, corr w creditors re discrepancies; issue creditor packages by mail; prepare GST analysis, file returns (Sch C); update sale accounting	4.0		
14-Oct-15	review various legal correspondence, provide comments; dealing w WM issues; dealing w GIC	2.0		
16-Oct-15	review amended CB report; review Dejong material, provide comments; dealing w GIC renewals; process accounting; dealing w Tarion issues; review Dupont accounting; tc w CRA	3.5		
19-Oct-15	review banking, update cashflow; corr w counsel; prepare sale accounting; review proofs of claim, corr w creditors	2.5		
21-Oct-15	renew GICs; prepare accounting; dealing w realty tax rebate issues; insurance issue; review proofs of claim; tc w CRA; prepare schedule for counsel	4.0		
22-Oct-15	process accounting; tc w counsel; prepare for claims process (UEL); review proofs of claim; corr w mortgagee;	2.0		
23-Oct-15	process accounting; launch claims process (UEL); tc w mortgagee; corr w counsel; update tax issues	2.0		
26-Oct-15	review banking, update cashflow; tc w counsel; prepare accounting; dealing w realty tax issues; update sales realization schedules; review mortgagee accounts; prepare fee allocation analysis and details	7.0		

Timedocket James Merryweather
 ENGAGEMENT NAME DR. BERNSTEIN v WALTON
 Insolvency Date:

27-Oct-15	tc w counsel; conf call w HS; prepare detailed fee analysis; review tax and accounting issues	6.5
28-Oct-15	review proofs of claim, corr w creditors	1.0
29-Oct-15	review of tax issues, prepare schedule; review proofs of claim, corr w creditors; dealing with accounting issues w BL	3.5
30-Oct-15	prepare accounting re mortgagee sales	1.0
TOTAL		53.0

Disbursements

	Expense	GST/HST	Total
			\$ -
Courier-Briarlane	\$ 13.83	\$ 1.80	\$ 15.63
Courier-Briarlane	\$ 22.19	\$ 2.88	\$ 25.07
			\$ -
	\$ 36.02	\$ 4.68	\$ 40.70

Date	Notes	Hours
1-Oct-15	02 Atala - Emails to and from creditors as per J. Merryweather's instructions. Documenting receipt of claims.	0.50
1-Oct-15	03 30A - Telephone calls with CRA regarding claim filing. Emails with J. Merryweather and H. Schonfeld regarding receipt of the file. Documenting receipt of claim.	0.50
2-Oct-15	02 Atala - Receiving and documenting claims submissions. Emails to J. Merryweather regarding email responses.	0.50
2-Oct-15	03 30A - Telephone call with CRA as per J. Merryweather's direction.	0.30
5-Oct-15	02 Atala - Emails to and from creditors as per J. Merryweather's instructions.	0.50
5-Oct-15	03 30A - Fax to and telephone conversations with R. Ready of CRA; Emails to and from J. Merryweather regarding CRA.	0.80
7-Oct-15	Reading documentation in preparation for the launching of the next claims process.	0.50
7-Oct-15	Running searches in preparation for launching next claims process and updating claims database. Emails to J. Merryweather.	1.30
8-Oct-15	04 - Preparing for Claims Process	1.90
8-Oct-15	05 - Preparing for Claims Process.	1.90
9-Oct-15	04 - Launching Claims Process. Receiving and responding to creditor emails as per J. Merryweather's instructions. Emails to and from J. Merryweather.	2.50
9-Oct-15	05 - Launching Claims Process. Receiving and responding to creditor emails as per J. Merryweather's instructions. Emails to and from J. Merryweather.	2.00
13-Oct-15	02 Atala - Receiving and tracking proof of claims from creditors. Emails to Creditors as per J. Merryweather's instructions.	0.60
13-Oct-15	04 1780355 - Receiving and tracking proof of claims from creditors. Telephone call to CRA as per J. Merryweather's instructions.	0.60
13-Oct-15	05 Bible Hill - Emails to creditors as per J. Merryweather's Instructions.	0.50
14-Oct-15	04 1780355 - Emails and telephone calls with Creditors.	0.50
15-Oct-15	04 1780355 - Telephone call to and telephone call from R. Ready of CRA regarding Proof of Claim form.	0.30
16-Oct-15	02 Atala - Sending reminder emails to creditors regarding filing proof of claim.	0.80
16-Oct-15	03 30A - Sending reminder emails to creditors regarding filing proof of claim.	0.80
19-Oct-15	03 30A - Receiving and responding to creditor emails and telephone calls as per J. Merryweather's instructions.	0.50
19-Oct-15	04 1780355 - Receiving and responding to creditor emails and telephone calls as per J. Merryweather's instructions.	0.50

20-Oct-15	03 30A - Telephone reminders to creditors that received claims process by mail.	0.80
20-Oct-15	04 1780355 - Telephone calls and emails to creditors as per J. Merryweather's instructions.	0.80
21-Oct-15	02 Atala - Emails to creditors as per J. Merryweather's instructions.	0.50
21-Oct-15	04 1780355 - Emails and telephone calls with creditors as per J. Merryweather's instructions.	0.50
22-Oct-15	02 Atala - Emails to creditors as per J. Merryweather's instructions.	0.30
22-Oct-15	03 30A - Telephone calls and emails with creditors as per J. Merryweather's instructions.	0.30
22-Oct-15	04 1780355 - Emails to creditors as per J. Merryweather's instructions.	0.30
22-Oct-15	06 Preparing for the launch of United Empire Lands Ltd. claims process.	0.50
23-Oct-15	02 Atala - Following up with creditors by phone and email reminding them of Monday's claims bar date as per J. Merryweather's instructions.	1.20
23-Oct-15	03 30A Hazelton - Following up with creditors by phone and email reminding them of Monday's claims bar date as per J. Merryweather's instructions.	1.20
23-Oct-15	06 United Empire - Preparing for and launching claims process.	3.00
26-Oct-15	02 Atala - Receiving claims from creditors with respect to Claims Bar Date. Emails and telephone calls to and from creditors as per J. Merryweather's instructions.	1.30
26-Oct-15	03 30A - Receiving claims from creditors with respect to Claims Bar Date. Emails and telephone calls to and from creditors as per J. Merryweather's instructions.	1.30
28-Oct-15	02 Atala - Sending 'barred' emails to those who did not file.	0.30
28-Oct-15	03 30A Hazelton - Sending 'barred' emails to those who did not file.	0.30
29-Oct-15	04 1780355 - Emails to and from Creditors as per J. Merryweather's instructions.	0.50
30-Oct-15	04 1780355 - Reminder emails to Creditors re Claims Bar Date. Emails to and from Creditors as per J. Merryweather's instructions.	0.90
30-Oct-15	05 Bible Hill - Reminder emails to Creditors re Claims Bar Date. Emails to and from Creditors as per J. Merryweather's instructions.	0.90
21-Oct-15	Attending at the offices to assist with the Preferred Claims.	2.00
10-Aug-15	Responding to creditor calls as per J. Merryweather's direction.	0.30

TOTAL	STEPHANIE WILLIAMS	35.50
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Briarlane Rental Property Management Inc.

85 Spy Court
 Suite 100
 Markham, Ontario
 L3R 4Z4

Invoice

Date	Invoice #
10/1/2015	21334

Invoice To
Schonfeld Inc 77 King St. West, Suite 3000, P.O. Box 95 TD Centre North Tower Toronto, ON M5K 1G8

P.O. No.	Terms	Project

Description	Qty	Rate	Amount
Management Fees for maintaining the books for all the Schedule B and Schedule C properties		5,000.00	5,000.00
HST (ON) on sales		13.00%	650.00
		Total	\$5,650.00
		Payments/Credits	\$0.00
		Balance Due	\$5,650.00

DBDC SPADINA LTD., et al
Applicants

NORMA WALTON, et al
Respondents

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List**

Proceeding commenced at Toronto

**AFFIDAVIT OF SERVICE OF
S. HARLAN SCHONFELD
(Sworn November 27, 2015)**

**GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7**

Brian Empey LSUC#: 30640G
Mark S. Dunn LSUC#: 55510L
Tel: (416) 979-2211
Fax: (416) 979-1234

Lawyers for The Manager

DBDC SPADINA LTD., et al
Applicants

NORMA WALTON, et al
Respondents

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

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List

Proceeding commenced at Toronto

**36th REPORT OF THE MANAGER,
SCHONFELD INC.
(Approval of the Manager' s fees and
activities)**

**GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7**

Brian Empey LSUC#: 30640G
Mark S. Dunn LSUC#: 55510L
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Fax: (416) 979-1234

Lawyers for The Manager

File No. 14-0074

3

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	MONDAY, THE 21ST
JUSTICE NEWBOULD)	
)	DAY OF DECEMBER, 2015

BETWEEN:

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

ORDER

**(Approval of fees and activities for the period from November 24, 2014 to March 31, 2015
and from March 31, 2015 to November 1, 2015)**

THESE MOTIONS, made by Schonfeld Inc. in its capacity as the manager (the “**Manager**”) appointed pursuant to the Order of Justice Newbould dated November 5, 2013 for an Order, *inter alia*, approving the Manager’s activities and the Manager’s fees and disbursements and the fees and disbursements of the Manager’s counsel was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Twenty-Second Report of the Manager dated December 3, 2014, the Supplemental Report to the Twenty-Second Report of the Manager dated December 16, 2014,

dated April 10, 2015 of the Manager, the Affidavit of Brian Empey sworn April 13, 2015, the Affidavit of Harlan Schonfeld sworn April 8, 2015, the Motion Record of the Manager dated April 13, 2015, the Thirty-Sixth Report of the Manager dated November 27, 2015, the Affidavit of Brian Empey sworn November 27, 2015, the Affidavit of Harlan Schonfeld sworn November 27, 2015, and the Motion Record of the Manager dated December 2, 2015 and no one appearing for any other person on the service list:

1. THIS COURT ORDERS that the fees and disbursements of the Manager for the period December 1, 2014 to March 31, 2015, in the amount of \$353,112.12 including HST and the fees and disbursements of the Manager's counsel, Goodmans LLP, for the period November 24, 2014 to March 31, 2015, in the amount of \$403,036.78 including HST, are hereby approved.
 2. THIS COURT ORDERS that the Manager's activities described in the Manager's 22nd Report (and Supplemental Reports thereto), 23rd Report, 24th Report, 25th Report, 27th Report, 28th Report and 29th Report are hereby approved.
 3. THIS COURT ORDERS that the fees and disbursements of the Manager for the period March 31, 2015 to November 1, 2015, in the amount of \$240,278.46 including HST and the fees and disbursements of the Manager's counsel, Goodmans LLP, for the period of March 31, 2015 to November 1, 2015 in the amount \$307,382 including HST are hereby approved.
 4. THIS COURT ORDERS that the Manager's activities described in the Manager's 30th Report, 31st Report, 32nd Report, 33rd Report, 34th Report, 35th Report and 36th Report are hereby approved.
-

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.

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 Ltd.
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. Royal Gate Nominee Inc.
29. Royal Gate (Land) Nominee Inc.
30. Dewhurst Development Ltd.
31. Eddystone Place Inc.
32. Richmond Row Holdings Ltd.

33. El-Ad (1500 Don Mills) Limited
34. 165 Bathurst Inc.

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

DBDC SPADINA LTD. ET AL

and

NORMA WALTON ET AL

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

Applicants

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at TORONTO

ORDER**GOODMANS LLP**

Barristers & Solicitors
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

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Mark Dunn LSUC#: 55510L
Tel: 416.979.2211
Fax: 416.979.1 234

Lawyers for the Manager

DBDC SPADINA LTD., et al
Applicants

NORMA WALTON, et al
Respondents

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

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List

Proceeding commenced at Toronto

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

*(Motion for fee approval of fees and activities for
the period from March 31, 2015 to November 1,
2015, returnable December 21, 2015)*

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
333 Bay Street, Suite 3400
Toronto, Canada M5H 2S7

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Lawyers for the Manager

File No. 14-0074