

**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

**SECOND SUPPLEMENTARY MOTION RECORD**  
(Motion returnable November 16, 2017)

**GOODMANS LLP**  
333 Bay Street, Suite 3400  
Toronto, Canada M5H 2S7

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Lawyers for the Manager

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

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**SECOND SUPPLEMENTARY REPORT TO THE FIFTIETH REPORT  
OF THE MANAGER, SCHONFELD INC.**

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## **I. Introduction**

1. This is the Second Supplementary Report to the Fiftieth 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**”),<sup>1</sup> together with the properties owned by those companies (the “**Schedule “B” Properties**”); and (ii) the properties listed at Schedule “**C**” to the Judgment and Order of Justice Brown dated August 12, 2014 (the “**Schedule “C” Properties**” and together with the Schedule “**B**” Properties, the “**Properties**”).

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

2. The purpose of this Report is to provide an amended recommendation with respect to the allocation of fees and funding reimbursement among the Schedule “**B**” Companies and to provide information with respect to the adjournment being requested by Trez Capital Corporation.

3. The Manager’s motion, the terms of reference governing the 50<sup>th</sup> Report (and this Second Supplementary Report) and the background of this proceeding are all set out in the 50<sup>th</sup> Report.

### **B. Reallocation of Fees and Disbursements among the Schedule “B” Companies**

4. As is described in detail in the 50<sup>th</sup> Report and in the Supplementary Report to the 50<sup>th</sup> Report (the “**Supplementary Report**”), the Manager’s fees (and those of its counsel) and expenses have been allocated among the Schedule “**B**” Companies and the Schedule “**C**” Properties in accordance with the costs and expenses each should and can bear.

5. After serving its Supplementary Report, a Schedule “**B**” Company, Dewhurst Development Ltd. (“**Dewhurst**”), received vacant unit rebates in the amount of \$18,163, which funds can be used to repay a portion of the funding provided to Dewhurst.

6. Accordingly, the Manager recommends reallocating funding repayment in the amount of \$131,650 (reduced from \$147,000) to Twin Dragons Corporation, as set out in the Funding Reallocation Proposal attached hereto as **Appendix “A”**.

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

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7. Also after serving the Supplementary Report, the Manager learned that Liberty Village Properties Ltd.'s ("**Liberty Village**") guaranteed investment certificate (GIC) has accrued interest in an amount sufficient to satisfy the fees allocated to Liberty Village.

8. Accordingly, the Manager recommends reallocating fees in the amount of \$325,397.11 (reduced from \$327,658.44) equally among Lesliebrook Holdings Ltd., Royal Agincourt Corp., Royal Gate Holdings Ltd., Tisdale Mews Inc. and Twin Dragons Corporation, as set out in the Fee Reallocation Proposal attached hereto as **Appendix "B"**.

### **C. Trez Capital Corporation**

9. The Manager has been advised that Trez Capital Corporation ("**Trez**") intends to oppose the Manager's motion for authorization to make an equity distribution to the Applicants. The Manager does not take any position on the adjournment request. However, it has set out certain facts relevant to that request below.

10. In May 2016, counsel to the Manager e-mailed various stakeholders who were on the service list but had not recently participated in the proceedings. The e-mail asked that any stakeholders who wished to remain on the service list should advise the Manager, failing which they would be removed. A copy of this email is attached hereto as **Appendix "C"**. Counsel to Trez did not respond to this email and was subsequently removed from the service list.

11. Although Trez had been removed from the service list when this motion was served, counsel for the Manager specifically notified it of the motion on October 24, 2017. On October 25, 2017, counsel for the Manager discussed the motion with counsel for Trez.

12. Trez notified the Manager that it intended to oppose the within motion on November 10, 2017.



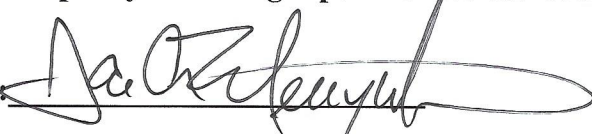
- 3 -

All of which is respectfully submitted this 13<sup>th</sup> day of November, 2017.

**SCHONFELD INC.**

**In its capacity as Manager pursuant to the Order of Newbould, J. dated November 5, 2013**

Per

A handwritten signature in black ink, appearing to read "James Merryweather", written over a horizontal line.

James Merryweather, CPA, CGA  
Authorized Signing Officer

**SCHEDULE "A" COMPANIES**

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

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### **SCHEDULE "B" COMPANIES**

1. Twin Dragons Corporation
2. Bannockburn Lands Inc. / Skyline – 1185 Eglinton Avenue Inc.
3. Wynford Professional Centre Ltd.
4. Liberty Village Properties Inc.
5. Liberty Village Lands Inc.
6. Riverdale Mansion Ltd.
7. Royal Agincourt Corp.
8. Hidden Gem Development Inc.
9. Ascalon Lands Ltd.
10. Tisdale Mews Inc.
11. Lesliebrook Holdings Ltd.
12. Lesliebrook Lands Ltd.
13. Fraser Properties Corp.
14. Fraser Lands Ltd.
15. Queen's Corner Corp.
16. Northern Dancer Lands Ltd.
17. Dupont Developments Ltd.
18. Red Door Developments Inc. and Red Door Lands Ltd.
19. Global Mills Inc.
20. Donalda Developments Ltd.
21. Salmon River Properties Ltd.
22. Cityview Industrial Ltd.
23. Weston Lands Ltd.
24. Double Rose Developments Ltd.
25. Skyway Holdings Ltd.
26. West Mall Holdings Ltd.
27. Royal Gate Holdings Ltd.
28. Dewhurst Development Ltd.
29. Eddystone Place Inc.
30. Richmond Row Holdings Ltd.
31. El-Ad Limited
32. 165 Bathurst Inc.

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**SCHEDULE "C" PROPERTIES**

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

6753077

**A**

## Professional Fee Allocation Analysis

Ability of each company to reimburse funding for November 5, 2013 to October 31, 2017

Company	Funding Provided			Reimbursed to Date	Funds	
	Nov'13-Nov'14	Dec'14-Aug'17	Total		Available for Reimbursement	Shortfall
<b>SCHEDULE B COMPANIES</b>						
Ascalon	35,500.00	8,000.00	43,500.00	43,500.00	0.00	0.00
Bannockburn	178,500.00	50.00	178,550.00	178,550.00	0.00	0.00
Cityview	171,900.00	6,500.00	178,400.00	178,400.00	0.00	0.00
Dewhurst	54,800.00	1,000.00	55,800.00	33,700.00	0.00	22,100.00
Donalda	0.00	0.00	0.00	0.00	0.00	0.00
Double Rose	170,000.00	200.00	170,200.00	170,200.00	0.00	0.00
Dupont	215,000.00	4,000.00	219,000.00	219,000.00	0.00	0.00
Eddystone	78,500.00	1,000.00	79,500.00	79,500.00	0.00	0.00
Fraser Lands	0.00	0.00	0.00	0.00	0.00	0.00
Fraser Properties	61,000.00	0.00	61,000.00	12,000.00	0.00	49,000.00
Global Mills	0.00	0.00	0.00	0.00	0.00	0.00
Hidden Gem	0.00	75.00	75.00	0.00	0.00	75.00
Lesliebrook Holdings	0.00	0.00	0.00	0.00	0.00	0.00
Lesliebrook Lands	0.00	0.00	0.00	0.00	0.00	0.00
Liberty Village Lands	17,700.00	0.00	17,700.00	17,700.00	0.00	0.00
Liberty Village Properties	0.00	0.00	0.00	0.00	0.00	0.00
Northern Dancer	39,500.00	8,000.00	47,500.00	47,500.00	0.00	0.00
Queen's Corner	126,500.00	1,100.00	127,600.00	127,600.00	0.00	0.00
Red Door Developments	11,000.00	1,000.00	12,000.00	12,000.00	0.00	0.00
Red Door Lands	25,200.00	0.00	25,200.00	25,200.00	0.00	0.00
Richmond Row/165 Bathurst	0.00	0.00	0.00	0.00	0.00	0.00
Riverdale Mansion	66,800.00	2,000.00	68,800.00	68,800.00	0.00	0.00
Royal Agincourt	0.00	0.00	0.00	0.00	0.00	0.00
Royal Gate Holdings	0.00	0.00	0.00	0.00	0.00	0.00
Salmon River Properties	25,000.00	1,050.00	26,050.00	7,500.00	0.00	18,550.00
Skyway	144,000.00	0.00	144,000.00	144,000.00	0.00	0.00
Tisdale	0.00	0.00	0.00	0.00	0.00	0.00
Twin Dragons	0.00	0.00	0.00	0.00	0.00	0.00
West Mall	0.00	25.00	25.00	0.00	0.00	25.00
Weston Lands	153,000.00	18,500.00	171,500.00	171,500.00	0.00	0.00
Wynford	38,400.00	3,500.00	41,900.00	0.00	0.00	41,900.00
<b>Total Schedule B</b>	<b>1,612,300.00</b>	<b>56,000.00</b>	<b>1,668,300.00</b>	<b>1,536,650.00</b>	<b>0.00</b>	<b>131,650.00</b>
<b>SCHEDULE C PROPERTIES</b>						
44 Park Lane Circle	0.00	27,450.00	27,450.00	27,450.00	0.00	0.00
777 St. Clarens	1,330.49	0.00	1,330.49	1,330.49	0.00	0.00
260 Emerson	570.21	0.00	570.21	570.21	0.00	0.00
66 Gerrard	3,674.02	0.00	3,674.02	3,674.02	0.00	0.00
324 Prince Edward	2,227.01	0.00	2,227.01	2,227.01	0.00	0.00
1 William Morgan	2,645.36	1,500.00	4,145.36	2,645.36	0.00	1,500.00
3270 American Drive	3,540.09	0.00	3,540.09	3,540.09	0.00	0.00
321 Carlaw	338.52	300.00	638.52	638.52	0.00	0.00
346 Jarvis, Unit A	2,736.97	0.00	2,736.97	2,736.97	0.00	0.00
346 Jarvis, Unit B	2,736.97	0.00	2,736.97	2,736.97	0.00	0.00
346 Jarvis, Unit E	2,736.97	0.00	2,736.97	0.00	0.00	2,736.97
346 Jarvis, Unit F	2,736.97	0.00	2,736.97	2,736.97	0.00	0.00
2454 Bayview	3,557.98	1,750.00	5,307.98	0.00	0.00	5,307.98
30 Hazelton	0.00	0.00	0.00	0.00	0.00	0.00
30A Hazelton	0.00	0.00	0.00	0.00	0.00	0.00
24 Cecil	2,312.07	0.00	2,312.07	2,312.07	0.00	0.00
2 Kelvin	3,433.65	0.00	3,433.65	3,433.65	0.00	0.00
0 Luttrell	119.97	100.00	219.97	219.97	0.00	0.00
<b>Total Schedule C</b>	<b>34,697.25</b>	<b>31,100.00</b>	<b>65,797.25</b>	<b>56,252.30</b>	<b>0.00</b>	<b>9,544.95</b>
<b>Total Fee Allocation</b>	<b>1,646,997.25</b>	<b>87,100.00</b>	<b>1,734,097.25</b>	<b>1,592,902.30</b>	<b>0.00</b>	<b>141,194.95</b>

**B**

## Professional Fee Allocation Analysis

Ability of each company to reimburse for allocated professional costs for January 1, 2016 to August 31, 2017

Company	Allocated Fees			Reimbursed to Date	Funds	
	Jan-Dec 2016	Jan-Aug 2017	Total		Available for Reimbursement	Shortfall
<b>SCHEDULE B COMPANIES</b>						
Ascalon	13,349.53	6,100.88	19,450.41	10,800.00	0.00	8,650.41
Bannockburn	10,202.04	490.06	10,692.10	10,202.04	490.06	0.00
Cityview	24,346.80	7,515.52	31,862.32	17,700.00	0.00	14,162.32
Dewhurst	14,193.18	6,151.73	20,344.91	0.00	0.00	20,344.91
Donalda	1,839.31	0.00	1,839.31	0.00	0.00	1,839.31
Double Rose	13,324.22	6,355.13	19,679.35	4,100.00	0.00	15,579.35
Dupont	33,499.76	16,581.73	50,081.49	33,499.76	11,000.00	5,581.73
Eddystone	24,912.27	10,397.30	35,309.57	24,912.27	0.00	10,397.30
Fraser Lands	15,323.57	9,116.67	24,440.24	4,000.00	0.00	20,440.24
Fraser Properties	17,326.25	11,368.12	28,694.37	0.00	0.00	28,694.37
Global Mills	4,267.80	5,339.70	9,607.50	0.00	0.00	9,607.50
Hidden Gem	9,095.87	1,430.07	10,525.94	0.00	0.00	10,525.94
Lesliebrook Holdings	13,236.93	7,162.98	20,399.91	13,236.93	7,162.98	0.00
Lesliebrook Lands	14,127.18	6,069.71	20,196.89	10,300.00	0.00	9,896.89
Liberty Village Lands	15,930.80	6,196.83	22,127.63	7,100.00	0.00	15,027.63
Liberty Village Properties	13,830.61	2,261.33	16,091.94	13,830.61	2,261.33	0.00
Northern Dancer	25,739.02	13,282.28	39,021.30	18,000.00	0.00	21,021.30
Queen's Corner	43,742.75	10,835.55	54,578.30	43,742.75	10,835.55	0.00
Red Door Developments	15,068.96	7,854.89	22,923.85	1,900.00	0.00	21,023.85
Red Door Lands	14,643.69	5,262.95	19,906.64	1,700.00	0.00	18,206.64
Richmond Row/165 Bathurst	11,167.77	2,500.33	13,668.10	11,167.77	2,000.00	500.33
Riverdale Mansion	22,477.29	14,631.35	37,108.64	22,477.29	0.00	14,631.35
Royal Agincourt	16,493.56	6,550.11	23,043.67	16,493.56	6,550.11	0.00
Royal Gate Holdings	15,750.18	6,677.23	22,427.42	15,750.18	6,677.24	0.00
Salmon River Properties	15,137.23	5,758.86	20,896.09	0.00	0.00	20,896.09
Skyway	15,062.34	6,175.09	21,237.43	2,600.00	0.00	18,637.43
Tisdale	15,261.33	21,293.64	36,554.97	15,261.33	21,293.64	0.00
Twin Dragons	16,514.50	7,090.39	23,604.89	16,514.50	7,090.39	0.00
West Mall	9,334.68	4,935.45	14,270.13	0.00	0.00	14,270.13
Weston Lands	23,144.68	16,993.99	40,138.67	23,144.68	2,000.00	14,993.99
Wynford	5,876.71	4,591.38	10,468.09	0.00	0.00	10,468.09
<b>Total Schedule B</b>	<b>504,220.83</b>	<b>236,971.24</b>	<b>741,192.08</b>	<b>338,433.67</b>	<b>77,361.30</b>	<b>325,397.11</b>
<b>SCHEDULE C PROPERTIES</b>						
44 Park Lane Circle	9,274.45	0.00	9,274.45	8,000.00	0.00	1,274.45
777 St. Clarens	16,118.00	7,352.90	23,470.91	16,118.00	7,352.91	0.00
260 Emerson	15,662.15	7,339.23	23,001.38	15,662.15	7,339.23	0.00
66 Gerrard	13,245.04	8,581.78	21,826.82	13,245.04	8,581.78	0.00
324 Prince Edward	11,865.35	10,296.56	22,161.91	11,865.35	10,296.56	0.00
1 William Morgan	12,166.46	4,019.92	16,186.38	0.00	0.00	16,186.38
3270 American Drive	16,483.26	11,438.22	27,921.47	16,483.25	11,438.22	0.00
321 Carlaw	12,455.66	7,101.92	19,557.58	4,811.48	0.00	14,746.10
346 Jarvis, Unit A	16,488.59	5,166.89	21,655.48	16,488.59	5,166.89	0.00
346 Jarvis, Unit B	16,488.59	5,166.89	21,655.48	16,488.59	5,166.89	0.00
346 Jarvis, Unit E	0.00	0.00	0.00	0.00	0.00	0.00
346 Jarvis, Unit F	254.25	0.00	254.25	254.25	(0.00)	0.00
2454 Bayview	4,232.56	1,948.09	6,180.65	0.00	0.00	6,180.65
30 Hazelton	19,065.56	13,756.31	32,821.86	19,065.56	13,756.30	0.00
30A Hazelton	16,506.62	9,634.88	26,141.50	16,506.62	9,634.88	0.00
24 Cecil	12,450.64	7,797.84	20,248.48	12,450.64	7,797.84	0.00
2 Kelvin	19,044.15	10,103.03	29,147.18	19,044.15	10,103.03	0.00
0 Luttrell	12,659.06	7,864.67	20,523.73	12,659.06	7,864.67	0.00
<b>Total Schedule C</b>	<b>224,460.40</b>	<b>117,569.13</b>	<b>342,029.53</b>	<b>199,142.73</b>	<b>104,499.21</b>	<b>38,387.59</b>
<b>Total Fee Allocation</b>	<b>728,681.23</b>	<b>354,540.37</b>	<b>1,083,221.60</b>	<b>537,576.40</b>	<b>181,860.51</b>	<b>363,784.69</b>



C

**From:** [Fox, Carlie](#)  
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**Cc:** [Dunn, Mark](#); [Nobert, Elyse](#)  
**Subject:** Service List for DBDC Spadina et al. v. Walton et al. - CV-13-10280-00CL  
**Date:** Wednesday, May 25, 2016 5:09:02 PM

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Good afternoon,

To assist in our efforts to reduce the Service List for the above-noted matter, kindly advise if you object to being removed from same.

Best regards,

**Carlie Fox**

Goodmans LLP

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*(Motion returnable November 16, 2017)*

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