

**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 Claims Procedure Order
with respect to 65 Front Street East)

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

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

Lawyers for The Manager

TO: SERVICE LIST

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- and -

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TO BE BOUND BY THE RESULT

**NOTICE OF MOTION
(Returnable on a date to be determined)**

Schonfeld Inc. in its capacity as Manager (the “**Manager**”) of certain companies listed in Schedule “B” (the “**Companies**”) to the Order of Justice Newbould dated November 5, 2013 (the “**November 5 Order**”) together with the real estate properties owned by the Companies (the “**Properties**”), as amended by the Order of Justice Newbould dated January 16, 2014 will make a motion to the Honourable Justice D. M. Brown on a date to be determined at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: This Motion is to be heard orally.

THE MOTION IS FOR:

- 1. An Order:
 - (a) abridging the time for service of the Notice of Motion and the materials filed in support of the Motion and dispensing with further service thereof;

- (b) approving the proposed Front Street Property Claims Process (as defined below);
and
- (c) granting such further and other relief as the Court may deem just.

THE GROUNDS FOR THE MOTION are as follows:

I. Background

1. The Manager was appointed Manager of certain companies listed at Schedule “B” to the November 5 Order (the “**Companies**”), together with the properties owned by the Companies (the “**Properties**”).
2. The Manager was not appointed as Manager of Front Church Properties Limited (the “**Debtor**”), the former owner of the property known municipally as 65 Front Street East, Toronto, Ontario (the “**Front Street Property**”). As such, the Manager did not take possession or control of the Debtor or of the Front Street Property and the Manager did not have or take control of the marketing and sale of that property.
3. However, pursuant to the Order of Justice D.M. Brown in these proceedings dated May 20, 2014 (the “**May 20 Order**”), the Manager was directed to, following the closing of the sale of the Front Street Property by the Debtor, bring a motion for approval of a claims process (the “**Front Street Property Claims Process**”) to determine the validity, quantum and priority of the Secondary Payments (as defined in the May 20 Order) and any claims of the Applicants that the Court may order in respect of the Front Street Property.

II. Claims Process

4. The sale of the Front Street Property closed on June 11, 2014.
5. Pursuant to the May 20 Order, the sale proceeds of the Front Street Property following the Primary Payments (as defined in the May 20 Order) were to be paid to and be held in trust by Goodmans LLP, being counsel to Schonfeld Inc. in its capacity as Manager. On closing, counsel for the Debtor certified that the remaining sale proceeds following the

payment of the Primary Payments had been paid to the Manager. The amount of \$861,236.17 (the “**Remaining Sale Proceeds**”) was received and is held in trust (together with any interest earned thereon) by Goodmans LLP pursuant to the May 20 Order, pending completion of the Front Street Property Claims Process.

6. The Manager proposes that the Remaining Sale Proceeds be distributed in accordance with further Order of the Court following the determination of the validity, quantum and priority of the Secondary Payments pursuant to the requested Front Street Property Claims Procedure Order.
7. The proposed Front Street Property Claims Process is limited to the determination of the Secondary Payments.
8. Claims between the Debtor and the Applicants, if any, are more appropriately addressed by the Court in this litigation. Accordingly, these claims are not addressed under the proposed Front Street Property Claims Process.
9. The timeline set out in the Front Street Property Claims Process Order providing for, among other things, a Claims Bar Date that is 30 days from the date of the requested Order, is appropriate.
10. The Front Street Property Claims Procedure Order provides that the Manager’s fees in respect of the Front Street Property Claims Process calculated based on a reasonable allocation of the Manager’s fees as approved by the Court in these proceedings shall be secured by a first charge on the Remaining Sale Proceeds.
11. Given the Front Street Property was not part of the Manager’s mandate in these proceedings, no arrangements are currently in place with respect to the funding of the Front Street Property Claims Process. It is reasonable for a portion of the Manager’s fees (and those of its counsel) to be secured by a first charge on the Remaining Sale Proceeds.
12. The claims secured against the Front Street Property exceeded the proceeds available from the sale of that property and it would have been difficult to realize on the Front Street Property without the a vesting order and claims process. Accordingly, a portion of its fees (and those of its counsel) can fairly be allocated to the Remaining Sale Proceeds.

III. Miscellaneous

13. Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure* (Ontario); and
14. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

15. The Fourteenth Report of the Manager dated July 15, 2014; and
16. Such further and other material as counsel to the Manager may advise and this Honourable Court may permit.

Date: July 15, 2014

GOODMANS LLP
Barristers & Solicitors
Bay Adelaide Centre
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

TO: **SERVICE LIST**

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

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 and EGLINTON CASTLE INC.

Respondents

- and -

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

SERVICE LIST
 (As of July 14, 2014)

Goodmans LLP

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

Brian Empey – bempey@goodmans.ca
 Mark Dunn – mdunn@goodmans.ca
 Jacqueline LaBine – jlabine@goodmans.ca

Tel: 416.979.2211
 Fax: 416.979.1234

Counsel to the Inspector/Manager

Lenczner Slaght Griffin LLP

Barristers & Solicitors

130 Adelaide St W

Suite 2600

Toronto, ON

Canada M5H 3P5

Peter Griffin – pgriffin@litigate.com

Shara N. Roy – sroy@litigate.com

Paul-Erik Veel – pveel@litigate.com

Tel: 416.865.9500

Fax: 416.865.9010

Counsel to the Applicants

Norma Walton

30 Hazelton Avenue

Toronto, ON

M5R 2E2

Norma Walton - nwalton@roseandthistle.ca

Tel: (416) 489-9790 Ext. 103

Fax: (416) 489-9973

Respondent

Cohen, Sabsay LLP

357 Bay Street, Suite 901

Toronto, ON

M5H 2T7

Howard Cohen - cohen@cohensabsay.com

Tel: 888-626-1102

Fax: 416-364-0083

Counsel to the Respondents other than Norma
Walton

Robins, Appleby & Taub LLP

Barristers & Solicitors
2600 – 120 Adelaide Street W
Toronto, Ontario M5H 1T1

Irving Marks imarks@robapp.com
Dominique Michaud –dmichaud@robapp.com

Tel: 416.360.3795
Fax: 416.868.0306

Counsel to Trez Capital Limited Partnership

Minden Gross LLP

Barristers & Solicitors
145 King Street W., Suite 2200
Toronto, Ontario M5H 4G2

Timothy R. Dunn

Tel: 416.369.4335
Fax: 416.864.9223
E-mail: tdunn@mindengross.com

Counsel to 295 The West Mall Portfolio Ltd.

Zimmerman Associates

3338 Dufferin Street
Toronto, Ontario M6A 3A4

Lawrence Zimmerman

Tel: 416.489.9222
Fax: 416.489.6222
E-mail: larry@zimlaw.ca

Counsel to the Handelman Group and the
Tannenbaum Group

Lawrence F. Wallach

4580 Dufferin Street, Suite 302
Toronto, Ontario M3H 5Y2

Lawrence F. Wallach

Tel: 416.661.5600
Fax: 416.663.4424
E-mail: wallach@wallach.ca

Litigation counsel to E. Manson Investments Limited, B & M Handelman Investments Limited, 136557 Ontario Limited and Martha Sorger

Stikeman Elliot LLP

5200 Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1B9

Maria Konyukhova

Tel: 416.869.5230

Fax: 416.947.0866

E-mail: mkonyukhova@stikeman.com

Counsel to IMC Limited Partnership

Fogler, Rubinoff LLP

77 King Street West
Suite 3000, PO Box 9
TD Centre North Tower
Toronto, ON M5K 1G8

Martin R. Kaplan – mkaplan@foglers.com

Vern W. DaRe – vdare@foglers.com

Tel: 416.864.9700

Fax: 416.941.8852

Counsel to RioCan Management Inc., RioCan Mortgage Corp., RioCan Real Estate Investment Trust and Trinity Urban Properties Inc.

Aird & Berlis LLP

Brookfield Place
181 Bay Street
Suite 1800, Box 754
Toronto, ON M5J 2T9

Steven L. Graff – sgraff@airdberlis.com

Ian Aversa – iaversa@airdberlis.com

Tel: 416.865.7726

Fax: 416.863.1515

Counsel for 165 Bathurst Financial Inc.

Torkin Manes LLP

151 Yonge Street
Suite 1500
Toronto, Ontario M2C 2W7

Jeffrey Simpson

Tel: 416. 777.5413
Fax: 1.888.587.9143
E-mail: jsimpson@torkinmanes.com

Counsel to Harbour Mortgage Corp.

Osler, Hoskin & Harcourt LLP

Box 50, 1 First Canadian Place
Toronto, Ontario M5X 1B8

Marc Wasserman

Tel: 416. 862.4908
Fax: 416.862.6666
E-mail: mwasserman@osler.com

Counsel to Sam Reisman and Rose Reisman

Sam Reisman and Rose Reisman

156 Duncan Mill Road
Unit 12
Toronto, Ontario M3B3N2

Martie Simon

Tel: 416. 916.4333
E-mail: msimon@rosecorp.com

Bram Zinman

Barristers & Solicitors
4711 Yonge Street, Suite 509
Toronto, ON M2N 6K8

Bram Zinman

Tel: 416.221.5919
Fax : 416.226.0910
E-mail: bzinman@bellnet.ca

Counsel for Gemtec Wall & Ceiling Systems
Ltd., a subcontractor of Fox Contracting

Jack Copelovici

Barristers & Solicitors
1220 Sheppard Avenue East
Suite 204
Toronto, Ontario M2K 2S5

Jack Copelovici

Tel: 416.494.0910
Fax: 416.494.5480
E-mail: jack@copel-law.com

Counsel for Fox Contracting Ltd.

Glaholt LLP

141 Adelaide Street West
Suite 800
Toronto, Ontario M5H 3L5

Andrea Lee

Tel: 416.368.8280
Fax: 416.368.3467
E-mail: andrealee@glaholt.com

Counsel for Gentry Environmental Systems
Ltd.

Brauti Thorning Zibarras LLP

151 Yonge Street
Suite 1800
Toronto, ON M5C 2W7

David Meirovici – dmeirovici@btzlaw.ca
Mark R. McMackin – mmcmackin@btzlaw.ca

Tel: 416.362.4567
Fax: 416.362.8510

Counsel for Norel Electric Ltd.

Chaitons LLP

5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

George Benchetrit

Tel: 416.218.1141

Fax: 416.218.1841

E-mail: George@chaitons.com

Counsel for Return on Innovation Capital Inc.

Bianchi Presta LLP

Barristers and Solicitors
9100 Jane Street, 3rd Floor Building A
Vaughn, Ontario L4K 0A4

Renzo Belluz

Tel: 905.738.1076

Fax: 905.738.0528

E-mail: rbelluz@bianchipresta.com

Counsel for the Estate of Celestina Venuto
and Silvano & Celestina Investments Ltd.

Kramer Simaan Dhillon LLP

Litigation Counsel
120 Adelaide St West, Suite 2100
Toronto, Ontario M5H 1T1

Nathaniel Erskine-Smith – nerskine-
smith@kramersimaan.com

Tel: 416.601.6819

Fax: 416.601.0702

Counsel to Atrium Mortgage Investment
Corporation

Dale & Lessmann LLP

181 University Avenue
Suite 2100
Toronto, Ontario M5H 3M7

David E. Mende

Tel: 416.369.7838

Fax: 416.863.1009

E-mail: dmende@dalelessmann.com

Counsel for First National Financial LP whose first mortgage is registered in the name of Computershare Trust Company of Canada

Dentons Canada LLP

Barristers & Solicitors
77 King Street West
Suite 400
Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

Rebecca Studin

Tel: 416.863.4368
Fax: 416.863.4592
E-mail: rebecca.studin@dentons.com

Counsel for Page & Steele/IBI Group Architects

Oldfield, Greaves, D'Agostino

P.O. Box 16580
172 King Street South
Waterloo, Ontario N2J 4X8

Edward L. D'Agostino

Tel: 519.576.7200
Fax: 519.576.0131
E-mail: edagostino@watlaw.com

Counsel for Macnaughton Hermsen Britton
Clarkson Planning Limited

Torkin Manes LLP

151 Yonge Street
Suite 1500
Toronto, Ontario M2C 2W7

S. Fay Sulley

Tel: 416.777.5419
Fax: 1.888.587.9143
E-mail: fsulley@torkinmanes.com

Counsel to Almanox Limited

Kramer Simaan Dhillon LLP

Litigation Counsel
120 Adelaide St West, Suite 2100
Toronto, Ontario M5H 1T1

Michael Simaan
msimaan@kramersimaan.com

Tel: 416.601.0965
Fax: 416.601.0702

Counsel to Windsor Private Capital Inc.

Rosenbaum & Frank LLP

The Exchange Tower
130 King St. W., Suite 1800
Toronto, ON
M5X 1E3

Vanessa A. Ibe
vibe@rosenbaum.com

Tel: 416.364.1919
Fax: 416.850.9699

Counsel to Proteck Roofing & Sheet Metal
Inc.

Pallett Valo LLP

Lawyers & Trade-Mark Agents
77 City Centre Drive, West Tower, Suite 300
Mississauga, ON
L5B 1M5

Alex Ilchenko –ailchenko@pallettvalo.com

Tel: 905-273-3300
Fax: 905-273-6920

Counsel to Toronto Children's Care Inc.,
operating as Ronald McDonald House
Toronto, mortgagee of Gerrard House Inc.

Eric K. Gillespie Professional Corporation

Barristers & Solicitors
10 King Street East, Suite 600
Toronto, Ontario
M5C 1C3

Eric Gillespie - egillespie@gillespielaw.ca
Ian Flett - iflett@gillespielaw.ca

Tel: 416.703.7034
Fax: 416.703.9111

Counsel to Woodgreen Red Door Family
Shelter

Sack Goldblatt Mitchell LLP

20 Dundas Street West, Suite 1100
Toronto, Ontario
M5G 2G8

Daniel Iny – diny@sgmlaw.com

Tel: 416.979.4247
Fax: 416.591.7333

Counsel to CEP Local 591G Benevolent
Society Incorporated

Dickinson Wright LLP

199 Bay Street, Suite 2200
P.O. Box 447, Commerce Court Postal Station
Toronto, Ontario
M5L 1G4

Mark Shapiro –
mshapiro@dickinsonwright.com
Michael J. Brzezinski -
MBrzezinski@dickinsonwright.com

Tel – 416-646-4603
Fax – 416-865-1398

Counsel to Florence Leaseholds Ltd., Beatrice
Leaseholds Ltd. and ADA Leaseholds Ltd.,
mortgagees of 1485 Dupont St.

Loopstra Nixon LLP

135 Queen's Plate Drive, Suite 600
Toronto, Ontario, M9W 6V7

Peter W. G. Carey – pcarey@loonix.com

Tel – 416.748.4774
Fax – 416.746.8319

Counsel to Wendy Gaucher

Boghosian + Allen LLP

Litigation Counsel
65 Queen Street West, Suite 1000
Toronto, Ontario M5H 2M5

Rolf M. Piehler – rmp@boglwa.ca

Tel – 416.367.5558
Fax – 416-368-1010

Lawyers for Variety Club of Ontario – Tent
28, mortgagee of 14 Trent Avenue and 2
Kelvin Avenue.

**Garfinkle Biderman LLP Barristers &
Solicitors**

1 Adelaide Street East, Suite 801
Toronto, Ontario
M5C 2V9

Robin A. Dodokin – rdodokin@garfinkle.com

Tel- 416-869-1234
Fax – 416-869-0547

Counsel to Woodgreen Management Inc.

Cassels Brock & Blackwell LLP

2100 Scotia Plaza,
40 King Street West
Toronto, Ontario
M5H 3C2

Lorne Silver – lsilver@casselsbrock.com
John Birch – jbirch@casselsbrock.com

Tel - 416 869 5300
Fax - 416 360 8877

Counsel to Cushman & Wakefield Ltd., real estate broker with respect to the sale of 65 Front St. East.

Steinberg Morton Hope & Israel LLP

Barristers & Solicitors
5255 Yonge Street
Suite 1100
Toronto, Ontario
M2N 6P4

David A. Brooker - dbrooker@smhilaw.com
Tel: (416) 225-2777
Fax: (416) 225-7112

Counsel for Collins Barrow Toronto Limited, court appointed receiver for Global Mills Inc. and Wynford Professional Centre Ltd.

Soccol Law

Barristers & Solicitors
7823 Kipling Avenue
Vaughan, Ontario
L4L 1Z4

Fabio M. Soccol - fabio@soccollaw.com

Tel – 905-605-2332
Fax – 905-605-1812

Counsel to Land-Con Ltd.

Bernard Gropper

Barrister and Solicitor
261 Davenport Road
Toronto, ON
M5R 1K3

Bernard Gropper –
bgropper@gropperlaw.com

Tel – 416-962-3000
Fax – 416-487-3002

Counsel to Variety Club of Ontario – Tent 28, mortgagee of 14 Trent Avenue

SimpsonWigle LAW LLP

501-390 Brant Street
 Burlington, ON
 L7R 4J4

Rosemary A. Fisher –
 fisherr@simpsonwigle.com

Tel – 905.639.1052
 Fax – 905.333.3960

Counsel to Christine DeJong, Michael
 DeJong, Christine DeJong Medicine
 Professional Corporation, C2M2S Holding
 Corp. and DeJong Homes Inc.

Marciano Beckenstein LLP

Barristers & Solicitors
 7625 Keele Street
 Concord, Ontario L4K 1Y4

Mark Adilman – madilman@mblaw.ca

Tel – 905-760-8773 x 230
 Fax – 905-669-7416

Counsel to Imperium and Jordache
 Construction Group

Verbeek & Verbeek
 1020 Matheson Blvd. E
 Mississauga, Ontario L4W 4J9

Pieter Carel Verbeek - verbeeklaw@aim.com

Tel – 905-602-6000
 Fax - 905-602-5000

Counsel to Net Drywall & Acoustics Ltd.

Tibollo & Associates Professional Corporation

11 Director Court, Suite 201
 Woodbridge, Ontario, L4L 4S5

Gail Upton – gail@tibollo.net

Tel – 905-850-2269
 Fax – 905-850-4516

Counsel to Roofing Medics Ltd.

Langlois Konrad Inkster LLP

6645 Kitimat Road, Unit 14
Mississauga, Ontario, L5N 6J3

Tel-905-814-5224
Fax-905-814-5227

Mary Corrente

Counsel to Blue Air Mechanical Inc.

Glaholt LLP

141 Adelaide St W, Suite 800
Toronto, Ontario, M5H 3L5

Andrea Lee – al@glaholt.com

Tel – 416.368.8280
Fax – 416.368.3467

Counsel to Gentry Environmental Systems
Ltd.

Arnold Zweig

Law Chambers
393 University Ave., Suite 200
Toronto, Ontario, M5G 1E6

Arnold Zweig – arnold@azweiglawn.com

Tel – 416-593-9189
Fax – 416-352-6173

Counsel to Abaco Glass Inc.

Global Business & Legal Services

1501-8 Richmond St. W.
Toronto, Ontario, M5H 2A4

Barrington Lue Sang - global@gbls.com

Tel: (416) 860-7177
Fax: (416) 860-9693

Counsel to Maxguard Alarm and Security
Company Ltd.; Ample Electric Inc.; 1771105
Ontario Ltd.; G-Line Sun Control Inc.; Zoltan
Kerestely; WBA Architects and Engineers
Inc.; Engcon Construction; CAI Quan
Construction Co.; World Electric and Medi
Group Incorporated

Yvette Carolan Conveyancing Inc.

Yvette Carolan – lkotylo@yahoo.com

Counsel to Carcol Ltd. and Joseph Memme

6270324.12

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

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FOURTEENTH REPORT OF THE MANAGER, SCHONFELD INC.

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I. Introduction

1. This is the Fourteenth Report of Schonfeld Inc. (the “**Manager**”) in its capacity as Manager pursuant to the Order of Justice Newbould dated November 5, 2013 (the “**November 5 Order**”).

2. The Manager was appointed Manager of certain companies listed at Schedule “B” to the November 5 Order (the “**Companies**”), together with the properties owned by the Companies (the “**Properties**”). The circumstances giving rise to the appointment of the Manager are described in the Endorsement of Justice Newbould dated November 5, 2013 (the “**November 5 Endorsement**”).

3. The Manager was not appointed as Manager of Front Church Properties Limited (the “**Debtor**”), the former owner of the property known municipally as 65 Front Street East, Toronto, Ontario (the “**Front Street Property**”). As such, the Manager did not take possession or control of the Debtor or of the Front Street Property and the Manager did not have or take control of the marketing and sale of that property.

4. However, pursuant to the Order of Justice D.M. Brown in these proceedings dated May 20, 2014 (the “**May 20 Order**”), the Manager was directed to, following the closing of the sale of the Front Street Property by the Debtor, bring a motion for approval of a claims process (the “**Front Street Property Claims Process**”) to determine the validity, quantum and priority of the Secondary Payments (as defined in the May 20 Order) and any claims of the Applicants that the Court may order in respect of the Front Street Property. A copy of the May 20 Order is attached hereto as Appendix A.

A. Purpose of this Report

5. The Manager has brought a motion for an Order approving the Front Street Property Claims Process to facilitate the evaluation of the Secondary Payments pursuant to the May 20 Order (the “**Front Street Property Claims Procedure Order**”).

6. This Fourteenth Report contains a recommendation that the relief sought by the Manager in its Notice of Motion be granted.

B. Terms of reference

7. 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, to the extent that this Report contains any financial information of Companies or the Debtor, the Manager has not audited, or otherwise attempted to independently verify the accuracy or completeness of this financial information. Accordingly, the Manager expresses no opinion or other form of assurance in respect of the financial information.

II. The Front Street Property Claims Process

8. The sale of the Front Street Property closed on June 11, 2014.

9. Pursuant to the May 20 Order, the sale proceeds of the Front Street Property following the Primary Payments (as defined in the May 20 Order) were to be paid to and be held in trust by Goodmans LLP, being counsel to Schonfeld Inc. in its capacity as Manager. On closing, counsel for the Debtor certified that the remaining sale proceeds following the payment of the Primary Payments had been paid to the Manager. The amount of \$861,236.17 (the "**Remaining Sale Proceeds**") was received and is held in trust (together with any interest earned thereon) by Goodmans LLP pursuant to the May 20 Order, pending completion of the Front Street Property Claims Process.

10. The Manager proposes that the Remaining Sale Proceeds be distributed in accordance with further Order of the Court following the determination of the validity, quantum and priority of the Secondary Payments pursuant to the requested Front Street Property Claims Procedure Order.

11. The proposed claims process is limited to the determination of the Secondary Payments. The Manager understands that the Applicants may assert a claim to the Remaining Sale Proceeds. In the Manager's view, claims between the Debtor and the Applicants, if any, are more appropriately addressed by the Court in this litigation. Accordingly, these claims of the Applicants are not addressed under the proposed Front Street Property Claims Process.

12. The requested Front Street Property Claims Procedure Order sets out procedures for, among other things, (i) the distribution of Proof of Claim forms and related materials to the

- 4 -

known claimants in respect of the Secondary Payments (the “**Secondary Payment Claimants**”); (ii) the review of Proofs of Claim submitted by Secondary Payment Claimants and the determination of Secondary Payment Claimants’ claims (including claims to priority) by the Manager; (iii) the resolution of any disputes in respect of Secondary Payment Claimants’ claims; and (iv) establishing a claims bar date for the filing of claims by Secondary Payment Claimants against the Remaining Sale Proceeds. The requested Front Street Property Claims Procedure Order also includes forms of notices, proofs of claim and related materials to be used for the Front Street Property Claims Process.

13. The proposed claims process does not involve publication or broad canvassing of claims because the potential Secondary Payment Claimants are limited to the holders of the claims described in Schedule C to the May 20 Order.

14. The distribution of any proceeds to Secondary Payment Claimants following the determination of their claims pursuant to the requested Front Street Property Claims Procedure Order would be subject to further Order of this Court on notice to the Secondary Payment Claimants, the Applicants and the Respondents.

15. The Manager is of the view that the timeline set out in the Front Street Property Claims Procedure Order providing for, among other things, a Claims Bar Date that is 30 days from the date of the requested Front Street Property Claims Procedure Order, is appropriate.

16. The Front Street Property Claims Procedure Order provides that the Manager’s fees in respect of the Front Street Property Claims Process calculated based on a reasonable allocation of the Manager’s fees as approved by the Court in these proceedings shall be secured by a first charge on the Remaining Sale Proceeds. Given the Front Street Property was not part of the Manager’s mandate in these proceedings, no arrangements are currently in place with respect to the funding of the Front Street Property Claims Process. In the Manager’s view, it is reasonable for a portion of the Manager’s fees (and those of its counsel) to be secured by a first charge on the Remaining Sale Proceeds. In this regard, it is important to note that the claims secured against the Front Street Property exceeded the proceeds available from the sale of that property and it would have been difficult to realize on the Front Street Property without a vesting order

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and claims process. Accordingly, the Manager is of the view that a portion of its fees (and those of its counsel) can fairly be allocated to the Remaining Sale Proceeds.

III. Conclusions and Recommendations

17. For the reasons set out in this Report, the Manager respectfully recommends granting the relief sought in its Notice of Motion.

All of which is respectfully submitted this 15th day of July, 2014.

SCHONFELD INC.

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

Per: 

James Merryweather, CGA

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.

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

**FOURTEENTH REPORT OF THE
MANAGER, SCHONFELD INC.**

**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

A

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

ONTARIO
SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

THE HONOURABLE)	Tuesday, the 20th
)	
D.M. JUSTICE BROWN)	day of May, 2014

B E T W E E N:

DBDC SPADINA LTD.
 AND THOSE CORPORATIONS LISTED ON SCHEDULE A HERETO

Applicants

and

NORMA WALTON, RONAULD WALTON, and THE ROSE & THISTLE
 GROUP LTD., AND THOSE CORPORATIONS LISTED ON SCHEDULE B
 HERETO

Respondents

and

THOSE CORPORATIONS LISTED ON SCHEDULE C HERETO, TO BE
 BOUND BY RESULT

ORDER

THIS MOTION brought by the Respondents for an order varying the Orders of this Court dated December 18, 2013, January 27 and March 21, 2014 in respect of the property known municipally as 65 Front Street East, Toronto, Ontario (the "Property") and vesting in the Purchaser, 2410077 Ontario Ltd., the right, title and interest in the Property currently held by the Vendor Front Church Properties Limited (the "Vendor") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the motion records of the Respondent Norma Walton returnable April 1, 2014 and April 29, 2014, the Affidavit of Ken Froese sworn April 28, 2014; the two Affidavits of the Respondent Norma Walton sworn May 5, 2014; the responding motion records of the Applicants returnable April 1, 2014 and April 29, 2014 of the Applicants' Compendium and Supplementary Compendium; the Inspector's Report dated April 23, 2014, the updated Inspector's Report dated May 5, 2014;

ON READING the materials and hearing from the Respondent Norma Walton, counsel for the other Respondents, counsel for the Applicants, counsel for the Manager and counsel for certain other interested parties, but not counsel for Cushman & Wakefield Ltd., and reviewing correspondence from counsel for Her Majesty the Queen in Right of Canada as Represented by the Minister of National Revenue ("CRA"), and upon Cushman & Wakefield Ltd. not having been given notice of this motion and therefore not having had a chance to appear;

1. THIS COURT ORDERS that the time for service of the notices of motion and motion records is hereby abridged, as necessary, so that this motion is properly returnable today.
2. THIS COURT ORDERS that the Order of the Honourable Mr. Justice Newbould made March 21, 2014 is hereby varied to provide that the sale proceeds from the sale of 65 Front Street East, Toronto, Ontario will be paid in accordance with this Order.
3. THIS COURT ORDERS that the Vendor shall, from the sale proceeds of 65 Front Street East, make the following payments upon closing (the "Primary Payments"):

- (a) Apply a credit in the approximate amount of \$5,887,500 to the purchase price of the Property in favour of the Purchaser in respect of the assumption of the first mortgage registered on the Property in favour of Alterna Savings by the Purchaser;
- (b) Payment of the second mortgage registered on the Property in favour of 368230 Ontario Limited in the amount of principal, interest and \$85,000 plus HST in legal fees, being the approximate amount of \$2,720,000;
- (c) Payment of property taxes in arrears for 2013 and adjustments for 2014 property taxes in the approximate amount of \$190,000;
- (d) Standard closing adjustments in the statement of adjustments in the approximate amount of \$150,000; and
- (e) The vendor's legal fees of \$30,000 plus HST.

4. THIS COURT ORDERS that the remaining balance from the sale proceeds of the Property be paid to and be held in trust by Goodmans LLP in trust, being counsel to Schonfeld Inc. in its capacity as Manager.

5. THIS COURT ORDERS AND DECLARES that after the Primary Payments are satisfied, upon Closing of sale of the Property, all of the Vendor's right, title and interest in and to the Property 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), liens, executions, 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: (i) the lien in favour of Canada Revenue Agency registered against the Property; (ii) the construction lien claims registered against the Property; (iii) the notice of claim registered by Collins Barrow (Toronto) Limited, the court appointed Receiver of Global Mills Inc.; (iv) the Commission payment due to Cushman & Wakefield Ltd. (the "Secondary Payments") and for greater certainty, this Court orders that all of the Secondary Payments affecting or relating to the Property are hereby expunged and discharged as against the Property.

6. THIS COURT ORDERS that upon the registration in the Land Registry Office for the City of Toronto of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Vendor of a Vendor's Certificate 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 subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.


7. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property shall stand in the place and stead of the Property, and that from and after the delivery of the Vendor's Certificate all Claims shall attach to the net proceeds from the sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

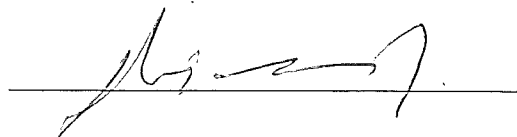
8. THIS COURT ORDERS that following Closing of the sale of the Property, Schonfeld Inc. in its capacity as Manager in these proceedings, will bring a motion for approval of an Order of this Court approving a Claims Process to determine the validity, quantum and priority of the

Secondary Payments and any claims of the Applicants that the Court may order in respect of the Property.

9. 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.:

 JUN 04 2014



Schedule A – Form of Vendor’s Certificate

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

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

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)
)

B E T W E E N:

**DBDC SPADINA LTD.
AND THOSE CORPORATIONS LISTED ON SCHEDULE A HERETO**

Applicants

and

**NORMA WALTON, RONAULD WALTON, and THE ROSE & THISTLE
GROUP LTD., AND THOSE CORPORATIONS LISTED ON SCHEDULE B
HERETO**

Respondents

and

**THOSE CORPORATIONS LISTED ON SCHEDULE C HERETO, TO BE
BOUND BY RESULT**

VENDOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Brown of the Ontario Superior Court of Justice (the "Court") dated May 20, 2014, the Vendor was directed to pay to Schonfeld Inc., in its capacity as the Court appointed Manager in these proceedings (the "Manager") the remaining

balance from the sale proceeds from the sale of 65 Front Street East (the "Property") after the Vendor has paid the Primary Payments as defined in said Order.

Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE VENDOR CERTIFIES the following:

1. The Vendor has paid to the Manager the remaining balance from the sale proceeds from sale of the Property after the Primary Payments were made; and
2. This Certificate was delivered by the Vendor at _____ [TIME] on _____ [DATE].

**FRIEDMAN & ASSOCIATES LLP as
Vendor's lawyer**

Per: _____
Name:
Title:

Schedule B – Property

The real property located at 65 Front Street East, Toronto, Ontario

PIN 21400 – 0089 LT

PART WALKS AND GARDENS PLAN 5A TORONTO; PART STRIP OF LAND BETWEEN WATERS
EDGE AND TOP OF BANK PLAN 5A TORONTO; PART LOT 30 SOUTHSIDE FRONT STREET EAST
PLAN 5A TORONTO AS IN CA570607; SUBJECT TO CT273443; CITY OF TORONTO

65 FRONT ST E

TORONTO

*ORDER***Schedule C – Claims to be deleted and expunged from title to Real Property**

- (a) CRA HST lien claim Registration Number AT3488865;
- (b) Construction lien claims including but not limited to Registration Numbers:
 - (i) AT3557508 Laser Heating and Air Conditioning Inc.;
 - (ii) AT3557855 Net Drywall & Acoustics Ltd.;
 - (iii) AT3561737 Roofing Medics Ltd.;
 - (iv) AT3563233 Blue Air Mechanical Inc.;
 - (v) AT3565588 Gentry Environmental Systems Ltd.;
 - (vi) AT3565641 Abaco Glass Inc.;
 - (vii) AT3566416 Maxguard Alarm and Security Company Ltd.;
 - (viii) AT3566462 Net Drywall & Acoustics Ltd.;
 - (ix) AT3567140 Ample Electric Inc.;
 - (x) AT3567258 1771105 Ontario Inc.;
 - (xi) AT3567558 G-Line Sun Control Inc.;
 - (xii) AT3567578 Kerestely, Zoltan;
 - (xiii) AT3568362 WBA Architects and Engineers Inc.;
 - (xiv) AT3568578 Engcon Construction;
 - (xv) AT3570270 Carcol Ltd.;
 - (xvi) AT3570298 Caiquan Construction Co.;
 - (xvii) AT3572541 Memme Joseph;
 - (xviii) AT3573033 World Electric;
 - (xix) AT3573412 MediGroup Incorporated;
- (c) Collins Barrow Receiver's notice of claim Registration Number AT3574922; and
- (d) Commission payment to Cushman Wakefield LePage.

ORDER

**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Vendor's Certificate)

Purchaser is assuming the first mortgage registered by Alterna Savings pursuant to Registration Numbers AT1262430 and AT1961238 and AT2711991

Vendor is paying out and discharging the second mortgage registered by 368230 Ontario Limited, Registration Number AT2959596

**ONTARIO SUPERIOR
COURT OF JUSTICE**

[COMMERCIAL LIST]

Proceeding commenced at:

TORONTO

ORDER

NORMA WALTON
30 Hazelton Avenue
Toronto, Ontario M5R 2E2

Tel: (416) 489-9790 x103

Fax: (416) 489-9973

nwalton@roseandthistle.ca

Respondent

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE ●) ●, THE ●TH
JUSTICE ●)
) DAY OF JULY, 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

(65 Front Street East)

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, for a Claims Procedure Order to govern the claims process directed by the Order of Brown, J. dated May 20, 2014 with respect to the proceeds from the sale of the property

DRAFT: 1 - July 15, 2014 - 8:16 AM

municipally known as 65 Front Street East was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Fourteenth Report of the Manager dated July 15, 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 Secondary Payment Claimant against the Debtor in connection with any indebtedness, liability or obligation of any kind of the Debtor, 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 Secondary Payment Claimant 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 such Claim relates to a Secondary Payment Claim of the Secondary Payment Claimant;

- (c) “**Claimant**” means any Secondary Payment Claimant asserting a Claim;
- (d) “**Claims Bar Date**” means 4:00 p.m. (Toronto Time) on the date that is 30 days from the date of this Order, or such later date as may be ordered by the Court;
- (e) “**Claims Process**” means the process for the purposes of determining Claims of Creditors of the Debtor against the Debtor commenced and conducted by the Manager in accordance with the terms of this Order;
- (f) “**Companies**” shall have the meaning ascribed to such term in the recitals hereto;
- (g) “**Court**” means the Ontario Superior Court of Justice;
- (h) “**Creditor**” means any Secondary Payment Claimant having a Proven Claim;
- (i) “**Debtor**” means Front Church Properties Limited;
- (j) “**Debtor Property**” means the property known municipally as 65 Front Street East, Toronto, Ontario;
- (k) “**Dispute Notice**” means a written notice to the Manager, in substantially the form attached as Schedule “H” 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;
- (l) “**Instruction Letter**” means the instruction letter to Claimants, in substantially the form attached as Schedule “E” hereto;
- (m) “**Manager**” shall have the meaning ascribed to such term in the recitals hereto;
- (n) “**May 20 Order**” means the Order of Justice D.M. Brown dated May 20, 2014;
- (o) “**Notice of Disallowance**” means the notice, in substantially the form attached as Schedule “G” 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 in substantially the form attached as Schedule “D” hereto;
- (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 “F” hereto;
- (s) **“Proof of Claim Document Package”** means a document package that includes a copy of the Notice to Creditors, 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) **“Proven Claim”** means the amount of a Claim of a Creditor against the Debtor as finally accepted and determined in accordance with the provisions of this Order;
- (v) **“Remaining Sale Proceeds”** means the remaining sale proceeds of the Debtor Property following the payment of the Primary Payments (as defined in the May 20 Order) paid to the Manager and held in trust by Goodmans LLP in the amount of \$861,236.17 (together with any interest earned thereon);
- (w) **“Secondary Payment Claims”** means those claims set out in Schedule “C” hereto and identified in Schedule “C” of the May 20 Order;
- (x) **“Secondary Payment Claimant”** means any Person asserting a Secondary Payment Claim.

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, and the May 20 Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order.

4. THIS COURT ORDERS that the rights and protection of the Manager under the Order of Justice Newbould dated November 5, 2013 shall apply *mutatis mutandis* to the Manager in connection with taking such actions and fulfilling such roles as are authorized by this Order.

COMMENCEMENT OF THE CLAIMS PROCESS

5. THIS COURT ORDERS that the Manager is hereby authorized and directed to commence and conduct the Claims Process in respect of the Debtor, and the Manager shall commence and conduct such Claims Process in accordance with the terms of this Order. For greater certainty, the Manager has no further obligations with respect to the Debtor or the Debtor Property

NOTICE TO CREDITORS

6. THIS COURT ORDERS that:
 - (a) within three (3) Business Days of this Order, the Manager shall post a copy of the Proof of Claim Document Package on <http://www.schonfeldinc.com> and deliver on behalf of the Debtor to each of the Secondary Payment Claimants (for which it has an address) a copy of the Proof of Claim Document Package; and
 - (b) the Manager shall, provided such request is received prior to the 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 Debtor and requesting such material.

CREDITORS' CLAIMS

7. 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

Claims Bar Date shall be and is hereby forever barred from making or enforcing any Claim against the Remaining Sale Proceeds.

DETERMINATION OF CLAIMS

8. 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 Debtor pursuant to further Order of the Court.

PROOFS OF CLAIM

9. 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 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 Claims Bar Date.

REVIEW OF PROOFS OF CLAIM

10. THIS COURT ORDERS that the Manager shall review all Proofs of Claim filed on or before the 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 Claims Bar Date as to whether such Claim has been revised or rejected, and the reasons therefor, by sending a Notice of Disallowance.

11. 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.
12. 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 13 to 17 of this Order.

DISPUTE NOTICE

13. 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 20 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 15 to 17 of this Order.
14. 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 13 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

15. 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.

16. 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.
17. THIS COURT ORDERS that the determination of a Claim by the Court shall be final and binding for all purposes.

NOTICE OF TRANSFEREES

18. THIS COURT ORDERS that if, after May 20, 2014, the holder of a Claim on May 20, 2014, or any subsequent holder of the whole of a Claim, transfers or assigns the whole of such Claim to another Person, neither the Debtor 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

19. THIS COURT ORDERS that the distribution to Creditors of any funds held by the Manager in respect of the sale of the Debtor Property shall be subject to further Order(s) of the Court. The Manager shall seek such Order(s) by way of motion on notice to the Applicants, Respondents and the Secondary Payment Claimants.

SERVICE AND NOTICE

20. 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 Debtor 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.

21. 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
 77 King Street West, Suite 3000, P.O. Box 95
 TD Centre North Tower
 Toronto, ON M5K 1G8

Attention: Stephanie Williams
 Telephone: 416-862-7785, Extension 4
 E-mail swilliams@schonfeldinc.com
 Fax: 416-862-2136

with a copy (which shall not be deemed notice) to:

Goodmans LLP
 Bay Adelaide Centre
 333 Bay Street, Suite 3400
 Toronto, ON M5H 2S7

Attention: Brian Empey / Mark Dunn
 Telephone: 416-597-4194 / 416-849-6895
 E-mail bempey@goodmans.ca / mdunn@goodmans.ca
 Fax: 416-979-1234

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.

MANAGER'S ACCOUNTS

22. THIS COURT ORDERS that expenditures or liability which shall properly be made or incurred by the Manager in connection with the Claims Process and this Claims Procedure Order, including the fees and disbursements of the Manager and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Manager and its counsel, calculated based on a reasonable allocation of the Manager's overall expenditures and liability as approved by the Court in these proceedings, shall rank as a first charge on the Remaining Sale Proceeds in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person.

MISCELLANEOUS

23. 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.
24. 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.

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

SECONDARY PAYMENT CLAIMS

1. CRA HST lien claim Registration Number AT3488865;
2. Construction lien claims including but not limited to Registration Numbers;
 - a. AT3557508 Laser Heating and Air Conditioning Inc.;
 - b. AT3557855 Net Drywall & Acoustics Ltd.;
 - c. AT3561737 Roofing Medics Ltd.;
 - d. AT3563233 Blue Air Mechanical Inc.;
 - e. AT3565588 Gentry Environmental Systems Ltd.;
 - f. AT3565641 Abaco Glass Inc.;
 - g. AT3566416 Maxguard Alarm and Security Company Ltd.;
 - h. AT3566462 Net Drywall & Acoustics Ltd.;
 - i. AT3567140 Ample Electric Inc.;
 - j. AT3567258 1771105 Ontario Inc.;
 - k. AT3567558 G-Line Sun Control Inc.;
 - l. AT3567578 Kerestely, Zoltan;
 - m. AT3568362 WBA Architects and Engineers Inc.;
 - n. AT3568578 Engcon Construction;
 - o. AT3570270 Carcol Ltd;
 - p. AT3570298 Caiquan Construction Co.;
 - q. AT3572541 Memme Joseph;
 - r. AT3573033 World Electric;
 - s. AT3573412 MediGroup Incorporated;
3. Collins Barrow Receiver's notice of claim Registration Number AT3574922; and
4. Commission payment to Cushman Wakefield LePage.

SCHEDULE D

**NOTICE TO CREDITORS
OF FRONT CHURCH PROPERTIES LIMITED,
BEING THE FORMER OWNER OF THE PROPERTY
MUNICIPALLY KNOWN AS 65 FRONT STREET EAST
(hereinafter referred to as the “Debtor”)**

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 (the “**Court**”) made ●, 2014 (the “**Claims Procedure Order**”), a claims process has been commenced for the purpose of determining Claims against the Debtor. Schonfeld Inc. (the “**Manager**”) has not been appointed as Manager of the Debtor, but has been directed to commence the claims process in respect of the Debtor by Order of the Court made May 20, 2014 (the “**May 20 Order**”). Capitalized terms not defined within this Notice shall have the meaning ascribed thereto in the Claims Procedure Order.

PLEASE TAKE NOTICE that the claims process applies only to the Claims described in the Claims Procedure Order. The Debtor’s Claimants should have received Proof of Claim Document Packages, if those Claimants are known to the Debtor and if the Debtor has a current address for such Claimants. Any Claimant who has not received a Proof of Claim Document Package and who believes that he, she or it has a Claim against the Debtor under the Claims Procedure Order must contact the Manager by telephone (416-862-7785, Extension 4), by fax (416-862-2136) or by e-mail (swilliams@schonfeldinc.com) in order to obtain a Proof of Claim form. Claimants may also obtain copies of the Claims Procedure Order and Proof of Claim forms from the Manager’s website: <http://www.schonfeldinc.com/claimsprocess.html>.

THE CLAIMS BAR DATE is 4:00 p.m. (Toronto Time) on [INSERT DATE, being 30 days from 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 BARRED

DRAFT: 1 - July 15, 2014 - 8:16 AM

**FROM ENFORCING ANY CLAIM AGAINST THE REMAINING SALE PROCEEDS IN
RESPECT OF THE SALE OF THE DEBTOR PROPERTY.**

DATED at Toronto this _____ day of _____, 2014.

**SCHONFELD INC.,
in its capacity as Court-appointed Manager
and pursuant to the May 20 Order**

DRAFT: 1 - July 15, 2014 - 8:16 AM

SCHEDULE E
INSTRUCTION LETTER
FOR THE CLAIMS PROCESS FOR CREDITORS OF
FRONT CHURCH PROPERTIES LIMITED
(hereinafter referred to as the “Debtor”)

A. CLAIMS PROCESS

Schonfeld Inc. (the “**Manager**”) has not been appointed as Manager of the Debtor, but has been directed to commence the claims process in respect of the Debtor by Order of the Ontario Superior Court of Justice (the “**Court**”) made May 20, 2014 (the “**May 20 Order**”).

By Order of the Court made ●, 2014 (the “**Claims Procedure Order**”), a claims process in respect of Claims against the Debtor (the “**Claims Process**”) was approved by the Court. A copy of the Claims Procedure Order and other related information can be obtained from the Manager’s website: <http://www.schonfeldinc.com/claimsprocess.html>.

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 determine the amount of Claims against the Debtor. 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 Companies
77 King Street West, Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8

Attention: Stephanie Williams
 Telephone: 416-862-7785, Extension 4
 E-mail: swilliams@schonfeldinc.com
 Fax: 416-862-2136

with a copy (which shall not be deemed notice) to:

Goodmans LLP
 Bay Adelaide Centre
 333 Bay Street, Suite 3400
 Toronto, ON M5H 2S7

Attention: Brian Empey / Mark Dunn
 Telephone: 416-597-4194 / 416-849-6895
 E-mail: bempey@goodmans.ca / mdunn@goodmans.ca
 Fax: 416-979-1234

B. FOR CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against the Debtor, 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 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 BARRED AS AGAINST THE REMAINING SALE PROCEEDS IN RESPECT OF THE SALE OF THE DEBTOR PROPERTY.

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

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<http://www.schonfeldinc.com/claimsprocess.html>, 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
and pursuant to the May 20 Order**

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SCHEDULE F

**PROOF OF CLAIM RELATING TO
FRONT CHURCH PROPERTIES LIMITED,
BEING THE FORMER OWNER OF THE PROPERTY MUNICIPALLY KNOWN AS
65 FRONT STREET EAST
(hereinafter referred to as “the Debtor”)**

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 Debtor, 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): _____

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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 Debtor; 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 Debtor; and

(d) the Debtor 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.)

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 Debtor 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 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 Companies
 77 King Street West, Suite 3000, P.O. Box 95
 TD Centre North Tower
 Toronto, ON M5K 1G8

Attention: Stephanie Williams
 Telephone: 416-862-7785, Extension 4
 E-mail swilliams@schonfeldinc.com
 Fax: 416-862-2136

with a copy (which shall not be deemed notice) to:

Goodmans LLP
 Bay Adelaide Centre
 333 Bay Street, Suite 3400
 Toronto, ON M5H 2S7

Attention: Brian Empey / Mark Dunn
 Telephone: 416-597-4194 / 416-849-6895
 E-mail bempey@goodmans.ca / mdunn@goodmans.ca

Fax: 416-979-1234

FAILURE TO FILE YOUR PROOF OF CLAIM AS DIRECTED BY THE CLAIMS BAR DATE WILL RESULT IN YOUR CLAIM BEING BARRED AS AGAINST THE REMAINING SALE PROCEEDS IN RESPECT OF THE SALE OF THE DEBTOR PROPERTY AND IN YOU BEING PREVENTED FROM MAKING OR ENFORCING A CLAIM AGAINST THE REMAINING SALE PROCEEDS IN RESPECT OF THE SALE OF THE DEBTOR PROPERTY. 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.

Signature of Creditor

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SCHEDULE G

**NOTICE OF DISALLOWANCE RELATING TO
FRONT CHURCH PROPERTIES LIMITED
(hereinafter referred to as “the Debtor”)**

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 Companies
77 King Street West, Suite 3000, P.O. Box 95
TD Centre North Tower
Toronto, ON M5K 1G8

Attention: Stephanie Williams
Telephone: 416-862-7785, Extension 4
E-mail: swilliams@schonfeldinc.com

Fax: 416-862-2136

with a copy (which shall not be deemed notice) to:

Goodmans LLP
 Bay Adelaide Centre
 333 Bay Street, Suite 3400
 Toronto, ON M5H 2S7

Attention: Brian Empey / Mark Dunn
 Telephone: 416-597-4194 / 416-849-6895
 E-mail bempey@goodmans.ca / mdunn@goodmans.ca
 Fax: 416-979-1234

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
and pursuant to the May 20 Order

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SCHEDULE H

**DISPUTE NOTICE RELATING TO
FRONT CHURCH PROPERTIES LIMITED
(hereinafter referred to as “the Debtor”)**

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.)

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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 Companies
 77 King Street West, Suite 3000, P.O. Box 95
 TD Centre North Tower
 Toronto, ON M5K 1G8

Attention: Stephanie Williams
 Telephone: 416-862-7785, Extension 4
 E-mail: swilliams@schonfeldinc.com
 Fax: 416-862-2136

with a copy (which shall not be deemed notice) to:

Goodmans LLP
 Bay Adelaide Centre
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Attention: Brian Empey / Mark Dunn
 Telephone: 416-597-4194 / 416-849-6895
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 Fax: 416-979-1234

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DBDC SPADINA LTD. ET AL

NORMA WALTON ET AL

and

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

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 Claims Procedure Order
with respect to 65 Front Street East)

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