

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**HANDS-ON CAPITAL INVESTMENTS INC.**

Applicant

- and -

**PEMBROKE RESIDENCE LTD..**

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985,  
c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**MOTION RECORD  
(Returnable May 12, 2015)**

April 30, 2015

**AIRD & BERLIS LLP**

Barristers & Solicitors

Brookfield Place, 181 Bay Street, Suite 1800

Toronto, Ontario M5J 2T9

**D. Robb English (LSUC # 19862F)**

Tel: (416) 865-4748

Fax: (416) 863-1515

Email: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

*Lawyers for A. Farber & Partners Inc., in its  
capacity as Receiver of Pembroke Residence Ltd.*

**TO: ATTACHED SERVICE LIST**

## SERVICE LIST

**CHAITONS LLP**

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

**Maya Poliak**

Tel: (416) 218-1161  
Fax: (416) 218-1844  
Email: maya@chaitons.com

**Lawyers for Hands-On Capital Inc.**

**GERSON LAW**

1300 – 5255 Yonge Street  
Toronto, ON M2N 6P4

**Howard Gerson**

Tel: (416) 703-6560  
Fax: (647) 792-0425  
Email: hgerson@gersonlawyers.com

**Lawyers for Pembroke Residence Ltd.**

**A. FARBER & PARTNERS INC.**

150 York Street, Suite 1600  
Toronto, Ontario, M5H 3S5

**Hylton Levy**

Tel: (416) 496-3070  
Fax: (416) 496.3839  
Email: hlevy@farberfinancial.com

**Court-appointed Receiver**

**AIRD & BERLIS LLP**

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

**D. Robb English**

Tel: (416) 865-4748  
Fax: (416) 863-1515  
Email: renglish@airdberlis.com

**Lawyers for the Receiver, A. Farber & Partners Inc.**

**1280584 ONTARIO INC.**

6-2400 Dundas St. W.  
Mississauga, Ontario  
L5K 2R8

Email: ray@kingswayinvestments.com

**FLUXGOLD IZSAK JAEGER LLP**

Barristers & Solicitors  
50 West Pearce Street, Suite 10  
Richmond Hill, ON L4B 1C5

**Catherine Ferrari**

Tel: (905) 763-3770 x.236  
Fax: (905) 763-3772  
Email: cferrari@fijlaw.com

**Ryan Hanna**

Tel: (905) 763-3770 x.250  
Fax: (905) 763-3772  
Email: rhanna@fijlaw.com

**Lawyers for L.A.K.E.S. Leasing Corporation**

**LOUIS M. FRIED PROFESSIONAL CORPORATION**

Barrister & Solicitor  
2180 Steeles Avenue West  
Suite 212  
Concord, ON L4K 2Z5

**Louis M. Fried**

Tel: 905-738-0180  
Fax: 905-738-6203  
Email: louis@louismfried.com

**Lawyers for Kevin Sit Investments Inc.**

**BODKIN CAPITAL CORP.**

102-1465 North Service Rd. E.  
Oakville, ON L6H 1A7

**INDCOM LEASING INC.**

5061 Ure Street  
Oldcastle, Ontario  
N0R 1L0

**CANADA REVENUE AGENCY**

1 Front Street West  
Toronto, ON M5J 2X6  
Tel: (416) 954-4037  
Fax: (416) 952-8726

**DEPARTMENT OF JUSTICE**

The Exchange Tower  
130 King Street West, Suite 3400  
Toronto, ON M5X 1K6

**Attention: Diane Winters**

Tel: (416) 973-3172  
Fax: (416) 973-0810  
Email: [diane.winters@justice.gc.ca](mailto:diane.winters@justice.gc.ca)

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS  
REPRESENTED BY THE MINISTER OF FINANCE**

777 Bay Street  
11th floor  
Toronto, ON M5G 2C8

**Attention: Kevin J. O'Hara**

Email: [kevin.ohara@ontario.ca](mailto:kevin.ohara@ontario.ca)

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS  
REPRESENTED BY THE MINISTRY OF REVENUE (OSHAWA)**

Revenue Collections Branch  
33 King Street West  
PO Box 627  
Oshawa, Ontario  
L1H 8H5  
Tel: 1-866-668-8297  
Fax: (905) 433-6277

**CITY OF TORONTO**

Revenue Services Division  
5100 Yonge Street, Lower Level  
Toronto, ON M2N 5V7  
Tel: (416) 395-1238  
Fax: (416) 696-3605

**GEORGE GLIGORIC**

Barrister & Solicitor  
523 Upper Wellington Street  
Hamilton, ON  
L9A 3P7

Lawyer No. 26193E  
Tel: 905.545.3263  
Fax: 905.545.3274

Lawyer for 1280584 Ontario Inc.

**MUNIRA DEWJI**

215 Wynford Drive  
Unit #2402  
Toronto, ON  
M3C 3P5

and

117 Strathearn Avenue  
Richmond Hill, ON  
L4B 2L2

Email: [mdewji@sympatico.ca](mailto:mdewji@sympatico.ca)

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# INDEX

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**HANDS-ON CAPITAL INVESTMENTS INC.**

Applicant

- and -

**PEMBROKE RESIDENCE LTD..**

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985,  
c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**TABLE OF CONTENTS**

|   | <b><u>TAB NO.</u></b> |
|---|-----------------------|
| Notice of Motion returnable May 12, 2015  | 1                     |
| Schedule "A" – Draft Order  | A                     |
| Fourth Report of the Receiver dated April 29, 2015  | 2                     |
| Appendix "A" – Receivership Appointment and First Report Approval Order<br>dated October 17, 2014 | A                     |
| Appendix "B" – Orders of Justice Newbould dated March 3, 2015                                     | B                     |
| Appendix "C" – Certificate of Appointment   | C                     |
| Appendix "D" – Receiver's Second SRD  | D                     |
| Appendix "E" – Fee Affidavit of Noah Litwack sworn April 29, 2015                                 | E                     |
| Appendix "F" – Fee Affidavit of Jeremy Nemers sworn April 29, 2015                                | F                     |

# Tab 01



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**HANDS-ON CAPITAL INVESTMENTS INC.**

Applicant

- and -

**PEMBROKE RESIDENCE LTD..**

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985,  
c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**NOTICE OF MOTION  
(Returnable May 12, 2015)**

A. Farber & Partners Inc. ("**Farber**"), in its capacities as the Court-appointed receiver and manager (in such capacities, the "**Receiver**") of Pembroke Residence Ltd. (the "**Debtor**"), will make a motion to a judge presiding over the Commercial List on Tuesday, May 12, 2015 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

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

**THE MOTION IS FOR** an Order substantially in the form of the draft Order annexed hereto as **Schedule "A"**, including, without limitation:

- (a) if necessary, abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;

- (b) approving the Fourth Report of the Receiver dated April 29, 2015, (the “**Fourth Report**”) and approving the actions of the Receiver as described therein;
- (c) approving the Receiver’s Interim Statement of Receipts and Disbursements (the “**Second SRD**”) for the period from October 17, 2014 to April 30, 2015;
- (d) approving the professional fees and disbursements of the Receiver and its counsel, including the estimates of fees and disbursements of the Receiver and its counsel, required to complete the administration of the herein proceedings;
- (e) Authorizing and directing the Receiver to pay all unpaid fees and disbursements of the Receiver and its counsel;
- (f) discharging the Receiver, subject to the Receiver completing its administration of the estate herein, as shall be evidenced by the Receiver filing a certificate (the “**Discharge Certificate**”) with the Court confirming the completion of such matters;
- (g) declaring that, upon the filing by the Receiver of the Discharge Certificate, Farber is released and discharged from any and all liability that Farber now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Farber while acting in its capacity as Receiver, save and except for any liability arising out of gross negligence and willful misconduct; and
- (h) such further and other relief as counsel may advise and this Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

- (a) pursuant to an Order of this Court dated October 17, 2014, Farber was appointed as the Receiver, without security, of all the assets, undertakings and properties of the Debtor (the “**Property**”) acquired for, or used in relation to a business carried on by the Debtor (collectively, the “**Receivership Order**”);

- (b) pursuant to an Approval and Vesting Order granted by this Court on March 3, 2015 the Receiver sold the business and premises of the Debtor, such sale being completed on March 16, 2015;
- (c) as authorized by this Court the Receiver has made a distribution to the first mortgagee via a cash payment of \$3,150,000 on March 18, 2015;
- (d) the Receiver has attended to the orderly transition of the business of the Debtor to the Purchaser and has essentially completed its activities relating to the Debtor's estate, all is described in the Receiver's Fourth Report;
- (e) the Receiver and its counsel are required to pass their accounts and have submitted their accounts to the Court for such purpose;
- (f) the Receiver has prepared a final statement of receipts and disbursements for approval by this Court;
- (g) such further and other grounds as counsel may advise and this Court may permit.

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

- (a) the Fourth Report of the Receiver;
- (b) the affidavit of Noah Litwack, sworn April 29, 2015;
- (c) the affidavit of Jeremy Nemers, sworn April 29, 2015; and
- (d) such further and other material as counsel may submit and this Court may permit.

Date: April 30, 2015

**AIRD & BERLIS LLP**

Barristers and Solicitors

Brookfield Place

181 Bay Street, Suite 1800

Toronto, ON M5J 2T9

**D. Robb English (LSUC # 19862F)**

Tel: (416) 865-4748

Fax: (416) 863-1515

Email: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

*Lawyers for A. Farber & Partners Inc., in  
its capacity as Receiver Pembroke  
Residence Ltd.*

**TO: ATTACHED SERVICE LIST**

## SERVICE LIST

**CHAITONS LLP**

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

**Maya Poliak**

Tel: (416) 218-1161  
Fax: (416) 218-1844  
Email: maya@chaitons.com

**Lawyers for Hands-On Capital Inc.**

**GERSON LAW**

1300 – 5255 Yonge Street  
Toronto, ON M2N 6P4

**Howard Gerson**

Tel: (416) 703-6560  
Fax: (647) 792-0425  
Email: hgerson@gersonlawyers.com

**Lawyers for Pembroke Residence Ltd.**

**A. FARBER & PARTNERS INC.**

150 York Street, Suite 1600  
Toronto, Ontario, M5H 3S5

**Hylton Levy**

Tel: (416) 496-3070  
Fax: (416) 496.3839  
Email: hlevy@farberfinancial.com

**Court-appointed Receiver**

**AIRD & BERLIS LLP**

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

**D. Robb English**

Tel: (416) 865-4748  
Fax: (416) 863-1515  
Email: renglish@airdberlis.com

**Lawyers for the Receiver, A. Farber & Partners Inc.**

**1280584 ONTARIO INC.**

6-2400 Dundas St. W.  
Mississauga, Ontario  
L5K 2R8

Email: ray@kingswayinvestments.com

**FLUXGOLD IZSAK JAEGER LLP**

Barristers & Solicitors  
50 West Pearce Street, Suite 10  
Richmond Hill, ON L4B 1C5

**Catherine Ferrari**

Tel: (905) 763-3770 x.236  
Fax: (905) 763-3772  
Email: cferrari@fijlaw.com

**Ryan Hanna**

Tel: (905) 763-3770 x.250  
Fax: (905) 763-3772  
Email: rhanna@fijlaw.com

**Lawyers for L.A.K.E.S. Leasing Corporation**

**LOUIS M. FRIED PROFESSIONAL CORPORATION**

Barrister & Solicitor  
2180 Steeles Avenue West  
Suite 212  
Concord, ON L4K 2Z5

**Louis M. Fried**

Tel: 905-738-0180  
Fax: 905-738-6203  
Email: louis@louismfried.com

**Lawyers for Kevin Sit Investments Inc.**

**BODKIN CAPITAL CORP.**

102-1465 North Service Rd. E.  
Oakville, ON L6H 1A7

**INDCOM LEASING INC.**

5061 Ure Street  
Oldcastle, Ontario  
N0R 1L0

**CANADA REVENUE AGENCY**

1 Front Street West  
Toronto, ON M5J 2X6  
Tel: (416) 954-4037  
Fax: (416) 952-8726

**DEPARTMENT OF JUSTICE**

The Exchange Tower  
130 King Street West, Suite 3400  
Toronto, ON M5X 1K6

**Attention: Diane Winters**

Tel: (416) 973-3172  
Fax: (416) 973-0810  
Email: [diane.winters@justice.gc.ca](mailto:diane.winters@justice.gc.ca)

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS  
REPRESENTED BY THE MINISTER OF FINANCE**

777 Bay Street  
11th floor  
Toronto, ON M5G 2C8

**Attention: Kevin J. O'Hara**

Email: [kevin.ohara@ontario.ca](mailto:kevin.ohara@ontario.ca)

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS  
REPRESENTED BY THE MINISTRY OF REVENUE (OSHAWA)**

Revenue Collections Branch  
33 King Street West  
PO Box 627  
Oshawa, Ontario  
L1H 8H5  
Tel: 1-866-668-8297  
Fax: (905) 433-6277

**CITY OF TORONTO**

Revenue Services Division  
5100 Yonge Street, Lower Level  
Toronto, ON M2N 5V7  
Tel: (416) 395-1238  
Fax: (416) 696-3605

**GEORGE GLIGORIC**

Barrister & Solicitor  
523 Upper Wellington Street  
Hamilton, ON  
L9A 3P7

Lawyer No. 26193E  
Tel: 905.545.3263  
Fax: 905.545.3274

Lawyer for 1280584 Ontario Inc.

**MUNIRA DEWJI**

215 Wynford Drive  
Unit #2402  
Toronto, ON  
M3C 3P5

and

117 Strathearn Avenue  
Richmond Hill, ON  
L4B 2L2

Email: [mdewji@sympatico.ca](mailto:mdewji@sympatico.ca)

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**HANDS-ON CAPITAL INVESTMENTS INC.**

- and -

**PEMBROKE RESIDENCE LTD.**

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced at Toronto**

**NOTICE OF MOTION  
(returnable May 12, 2015)**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
P.O. Box 754  
Toronto, ON M5J 2T9

**D. Robb English (LSUC # 19862F)**  
Tel: (416) 865-4748  
Fax: (416) 863-1515  
Email: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

*Lawyers for A. Farber & Partners Inc., in its capacity as the Receiver  
of Pembroke Residences Ltd.*

# TAB A

**SCHEDULE "A"**

Court File No. CV-14-10614-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) TUESDAY, THE 12<sup>TH</sup> DAY  
JUSTICE )  
 ) OF MAY, 2015

BETWEEN:

**HANDS-ON CAPITAL INVESTMENTS INC.**

Applicant

- and -

**PEMBROKE RESIDENCE LTD..**

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985,  
c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**ORDER**

**THIS MOTION**, made by A. Farber & Partners Inc. ("**Farber**"), in its capacities as the Court-appointed receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the "**Debtor**") for an order, *inter alia*: (i) approving the Fourth Report of the Receiver dated April 29, 2015 (the "**Fourth Report**") and approving the fees and disbursements of the Receiver and its counsel, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Fourth Report and appendices thereto, the affidavit of Noah Litwack sworn April 29, 2015 (the “**Litwack Affidavit**”) and the affidavit of Jeremy Nemers sworn April 29, 2015 (the “**Nemers Affidavit**”), and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Paula Hoosain sworn April ~~<\*>~~, 2015, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Fourth Report and the activities of the Receiver described therein are hereby approved.
3. **THIS COURT ORDERS** that the Receiver’s Second Statement of Receipts and Disbursements, be and is hereby approved.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, as described in the Fourth Report and as set out in the Litwack Affidavit, and the fees and disbursements of Aird & Berlis LLP, as counsel to the Receiver, as described in the Fourth Report and as set out in the Nemers Affidavit be and are hereby approved.
5. **THIS COURT ORDERS** that the Receiver is authorized to pay all of the unpaid fees and disbursements ad of its counsel and those estimated costs to complete as set out in the Fourth Report, as and when incurred.
6. **THIS COURT ORDERS** that upon the filing by the Receiver of a Certificate with this Court substantially in the form attached as **Schedule “A”** hereto (the “**Discharge Certificate**”) certifying that all matters to be attended to in connection with the within proceedings have been completed to the satisfaction of the Receiver, Farber shall be and is hereby discharged and released from any further obligations, liabilities, or duties in its capacity as Receiver pursuant to the Appointment Order.

7. **THIS COURT ORDERS** that, upon the filing of the Discharge Certificate, the Receiver is hereby released and discharged from any and all liability that Farber now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Farber while acting in its capacity as Receiver, save and except for any liability arising out of gross negligence and willful misconduct;

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**Schedule "A" – Form of Receiver's Certificate**

Court File No. CV-14-10614-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**HANDS-ON CAPITAL INVESTMENTS INC.**

Applicant

- and -

**PEMBROKE RESIDENCE LTD.**

Respondent

**RECEIVER'S DISCHARGE CERTIFICATE**

**RECITALS**

(A) Pursuant to the Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 17, 2014, A. Farber & Partners Inc. was appointed Receiver (the "**Receiver**"), of all of the assets, undertakings and properties of Pembroke Residence Ltd. o/a Knights Inn Toronto.

(B) Pursuant to an Order of the Court dated May 12, 2015 (the "**Discharge Order**") A. Farber & Partners Inc. was discharged as Receiver of Pembroke Residence Ltd. o/a Knights Inn Toronto, with such discharge to be effective upon the filing by the Receiver of a Certificate with this Court certifying that all matters to be attended to in connection with the receivership have been completed to the satisfaction of the Receiver.

**THE RECEIVER CERTIFIES** that all matters to be attended to in connection with the receivership, including all matters described in the Fourth Report of the Receiver dated April 29, 2015, have been completed to the satisfaction of the Receiver.

DATED AT TORONTO, THIS                      DAY OF                      , 2015.

**A. FARBER & PARTNERS INC.**, in its capacity  
as Receiver of Pembroke Residence Ltd.

Per: \_\_\_\_\_

Name:

Title:

**HANDS-ON CAPITAL INVESTMENTS INC.**

- and -

**PEMBROKE RESIDENCE LTD.**

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced at Toronto**

**ORDER**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

**D. Robb English (LSUC # 19862F)**  
Tel: (416) 865-4748  
Fax: (416) 863-1515  
Email: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

*Lawyers for A. Farber & Partners Inc., in its capacity as Receiver of  
Pembroke Residences Ltd.*



# Tab 02

Court File No. CV-14-10614-00CL

Estate No. 31-457823

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND**

**IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.  
1990 c. C.43, AS AMENDED WITH RESPECT TO PEMBROKE RESIDENCE LTD.  
OPERATING AS KNIGHTS INN TORONTO**

**A. FARBER & PARTNERS INC.  
COURT APPOINTED RECEIVER**

**FOURTH REPORT OF THE RECEIVER**

**APRIL 29, 2015**

## A. INTRODUCTION

1. By Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated October 17, 2014, A. Farber & Partners Inc. (“**Farber**”) was appointed receiver (“**Receiver**”) of all of the assets undertakings and properties of Pembroke Residence Ltd. o/a Knights Inn Toronto (“**Pembroke**” or the “**Debtor**”). The Court Order, hereinafter referred to as the “**Appointment Order**”, is attached hereto as **Appendix “A”**.

2. Since October 17, 2014, the Receiver has taken the following steps and brought the following motions, all of which have been more fully set out in the First, Second and Third Reports of the Receiver (defined below):

- a) On November 4, 2014, pursuant to the authorization granted by the Appointment Order and as fully described in the proposed Receiver’s first report to Court (the “**First Report**”) dated July 4, 2014 and the Receiver’s second report to Court (the “**Second Report**”) dated December 19, 2014, the Receiver entered into a management services agreement with IM Hospitality Inc. (the “**Manager**”) for the management and operations of the business of the Debtor;
- b) On December 23, 2014, the Receiver brought a motion for, *inter alia*, approval of the agreement of purchase and sale (the “**Pembroke APS**”) entered into by the Receiver for the sale of all of the Debtor’s property, assets and undertakings (the “**Property**”) to Kevin Sit Investments Inc. (“**KSI**”), as well approval for a revised stalking horse sales process, which is fully described in the Receiver’s Second Report. By Order dated January 8, 2015, the Honourable Madam Justice Conway granted that relief;
- c) On February 19, 2015; the Receiver brought a motion for, *inter alia*,
  - i. the approval of the Receiver’s and its counsel’s fees and disbursements to January 31, 2015;
  - ii. the approval of the Receiver’s third report to Court (the “**Third Report**”) dated February 19, 2015;

- iii. approval of the sales transaction following completion of the Stalking Horse Process and for the vesting of the Property in and to KSI free and clear of any and all prior encumbrances (the “**Transaction**”);
- iv. approval of the Receiver’s first interim statement of receipts and disbursements (the “**First SRD**”) for the period from October 17, 2014 to January 31, 2015; and,
- v. the approval and authorization to distribute up to the amount of \$4,391,077.23 to Hands-On Capital Investments Inc. (“**HOC**” or the “**First Mortgagee**”), plus any interest, fees and other amounts accruing after February 28, 2015, without further Order of the Court, on account of the Debtor’s indebtedness to the First Mortgagee,

all of which are fully described in the Receiver’s Third Report dated February 19, 2015. By Orders of the Court each dated March 3, 2015, the Honorable Mr. Justice Newbould granted that relief. A copy of the two Orders are attached hereto and marked collectively as as **Appendix “B”**;

- d) On February 19, 2015, the Receiver executed an assignment in bankruptcy on behalf of Pembroke pursuant to the authority of subsection 2(r) of the Appointment Order, and Farber was duly appointed by the Official Receiver as trustee of the estate of Pembroke (the “**Trustee**”). The Trustee’s appointment was confirmed by ordinary resolution of creditors at the first meeting of creditors held on March 11, 2015. A copy of the Certificate of Appointment is attached hereto as **Appendix “C”**; and,
- e) On April 27, 2015, the Receiver sent an interim report on the receivership administration (the “**Interim Report**”) to the Superintendent of Bankruptcy, the Trustee and any creditor that requested a report pursuant to the subsection 246(2) of the *Bankruptcy and Insolvency Act* (the “**BIA**”).

## **B. PURPOSE OF REPORT**

- 3. This is the Fourth report of the Receiver (the “**Fourth Report**”). Its purpose is to:
  - a) Describe the Receiver’s activities since the filing of the Third Report;
  - b) report to the Court on the closing of the Transaction;
  - c) seek an order of this Honourable Court:

- i. approving the Fourth Report and the actions and activities of the Receiver detailed herein;
- ii. approving the Receiver's Second Interim Statement of Receipts and Disbursements (the "**Second SRD**") for the period from October 17, 2014 to April 30, 2015;
- iii. approving the professional fees and disbursements of the Receiver and its counsel, plus estimates of fees and disbursements of the Receiver and its counsel, required to complete the administration of the herein proceedings;
- iv. Authorizing and directing the Receiver to pay all unpaid fees and disbursements of the Receiver and its counsel;
- v. discharging the Receiver, subject to the Receiver completing its administration of the estate herein, as would be evidenced by the Receiver filing a certificate (the "**Discharge Certificate**") with the Court;
- vi. declaring that, upon the filing by the Receiver of the Discharge Certificate, Farber is released and discharged from any and all liability that Farber now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Farber while acting in its capacity as Receiver, save and except for any liability arising out of gross negligence and willful misconduct; and,
- vii. such further and other relief as this Honourable Court may deem just.

#### C. DISCLAIMER

4. In preparing this Fourth Report, the Receiver has relied upon certain unaudited, draft and/or internal financial information, the Debtor's books and records, discussions with the Manager and Hotel Employees, and information from other third party sources (collectively, the "**Information**"). The Receiver assumes no responsibility or liability for loss or damage occasioned by any party as a result of the circulation, publication, reproduction or use of this Fourth Report. Any use which any party, other than this Honourable Court, makes of this Report, or any reliance on, or a decisions to be made, based upon it, is the responsibility of such party.

5. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

#### **D. RECEIVER'S ACTIVITIES**

##### **The Subject Property**

6. As noted above, the Transaction was approved pursuant to the Approval and Vesting Order dated March 3, 2015.

7. The Transaction closed on March 16, 2015 (the "**Closing Date**") with a sale price of \$4,500,000 and no adjustments were required at the closing. The Receiver delivered the certificate to the Purchaser confirming that the Transaction was completed to the satisfaction of the Receiver (the "**Receiver's Certificate**") on that same date. The Receiver's Certificate was subsequently filed with the Court.

##### **Other Activities of the Receiver**

8. Since the date of the Third Report, being February 19, 2015, the Receiver's activities have included, among other things:

- a) Overseeing and monitoring the day-to-day business operations of the Debtor's business with the assistance and operational support of the Manager to the Closing Date;
- b) attending to all matters relating to the closing of the Transaction, including assisting the Purchaser with the transfer of all relevant services and ongoing accounts necessary for the hotel operations to continue without interruption, including, but not limited to the Lease Agreement with Indcom Leasing Inc. ("**Indcom**"), the equipment lessor with the sole permitted encumbrance stipulated in the Pembroke APS;
- c) attending to the cancellation of insurance coverage and other accounts not required by the Purchaser;
- d) attending to the closing of the Debtor's bank account at CIBC;

- e) facilitating contact and discussions between the Purchaser and Knight's Inn franchisor, Wyndham Hotel Group Canada ULC (the "**Franchisor**");
- f) attending to the repayment of the Receiver's Borrowings;
- g) attending to the payment of the Payroll Deemed Trust claim, as defined in the Third Report;
- h) coordinating the arrangement for payment in kind, in the form of a loan and mortgage on the Property in favour of HOC, in the amount of \$900,000 to the First Mortgagee on the Closing Date;
- i) coordinating a cash payment of \$3,150,000 to the First Mortgagee on March 18, 2015;
- j) fielding and responding the creditor enquiries;
- k) drafting the Receiver's Second SRD; and,
- l) attending to prescribed reporting pursuant to section 246 of the BIA.

#### **E. STATEMENT OF RECEIPTS AND DISBURSEMENTS**

9. The Receiver's Second SRD and Interim Report for the period from the date of its appointment to April 27, 2015 is attached hereto as **Appendix "D"**.

10. The cash balance on hand for the Debtor effective April 27, 2015 is \$163,236.16.

#### **F. RECEIVER'S FEES AND DISBURSEMENTS**

11. Pursuant to Section 19 of the Appointment Order, the Receiver and its legal counsel are required to pass their accounts from time to time. The Receiver and its legal counsel have maintained and detailed records of their time and costs since the receivership was granted.

12. The professional fees and disbursements of the Receiver and its legal counsel, Aird & Berlis LLP, up to January 31, 2015, being \$105,808.70 and \$55,233.84, respectively, inclusive of HST, were approved by the Court pursuant to the provisions of the Approval

and Vesting Order. As of the date of this Fourth Report, both, the Receiver and its legal counsel, have been paid all of their respective approved fees.

13. The Receiver has incurred fees and expenses of \$40,217.63, inclusive of HST, for the period of February 1, 2015 through April 28, 2015. A copy of the detailed billings of the Receiver, supported by the Affidavit sworn by Noah Litwack, is attached hereto as **Appendix "E"**.

14. The Receiver's legal counsel, Aird & Berlis LLP, has incurred fees and expenses of \$36,493.53, inclusive of HST, for the period of February 1, 2015 through April 28, 2015. A copy of the detailed billings of Aird & Berlis LLP, supported by the Affidavit sworn by Jeremy Nemers, is attached hereto as **Appendix "F"**.

15. Assuming that there are no disputes or unexpected issues, it is estimated the the remaining Receiver and legal fees and costs to complete the administration of the estate will be no more than \$10,000, plus HST (the "**Accrual Amount**").

16. The Receiver views that its accounts and Aird & Berlis LLP's accounts are fair and reasonable in the circumstances.

## **G. FINAL DISTRIBUTION**

17. As noted above, the Receiver has already been authorized by the Court to distribute up to \$4,391,077.23 to the First Mortgagee. As of the date of this Fourth Report, the First Mortgagee has been paid a total of \$4,050,000.

18. It has become apparent to the Receiver that there will not be sufficient funds to repay the First Mortgagee up to the amount previously authorized by Court and, as such, the First Mortgagee will not be repaid in full.

19. Accordingly, the Receiver intends to remit the balance of funds to the First Mortgagee after payment of the fees and disbursements of the Receiver and its legal counsel, as well as any remaining outstanding balances on accounts incurred by the Receiver during its operation of the Debtor's business.



## **H. DISCHARGE**

20. Effective from the date of this Fourth Report, aside from the relief sought herein, there are no significant activities for the Receiver to perform, save and except for reporting under sections 245 and 246 of the BIA, coordinating statutory filings with the Canada Revenue Agency and the making of a final distribution of funds to the First Mortgagee (the **"Remaining Activities"**).

21. Upon completion of the Remaining Activities, all of the duties and activities of the Receiver will be complete and satisfied and the Receiver will file the Discharge Certificate with the Court confirming that the administration of the receivership has been completed.

## **I. RECOMMENDATION**

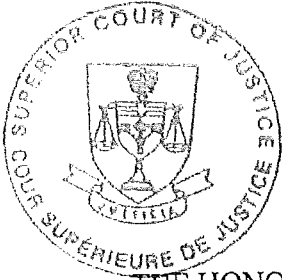
22. The Receiver respectfully recommends that this Court grant an order for the relief requested in Section 3(c) hereof.

### **A. FARBER & PARTNERS INC.**

**In its capacity as Receiver of Pembroke Residence Ltd.  
and not in its personal capacity**

A. Farber & Partners Inc.,

# TAB A



Court File No. 14-10614-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR

)

FRIDAY, THE 17<sup>TH</sup> DAY

)

JUSTICE NEWBOULD

)

OF OCTOBER, 2014

**HANDS-ON CAPITAL INVESTMENTS INC.**

Applicant

- and -

**PEMBROKE RESIDENCE LTD.**

Respondent

**RECEIVERSHIP ORDER**

**THIS APPLICATION** made by Hands-On Capital Investments Inc. ("**Hands-On**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing A. Farber & Partners Inc. ("**Farber**") as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Respondent's consent to the Receivership Order, the Application Record of Hands-On including the Notice of Application and the Affidavit of Iqbal Moledina sworn July 3, 2014, the First Report of the Proposed Receiver (the "**First Report**") and the consent of Farber to act as the Receiver,

## APPOINTMENT

1. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Farber is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

## RECEIVER'S POWERS

2. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor, including, but not limited to, any agreement of purchase and sale entered into by the Debtor in respect of all or part of the Property;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise

of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, with the approval of this Court, and in such case notice under subsection 63(4) of the Ontario Personal Property Security Act, or section 31 of the Ontario Mortgages

Act, as the case may be, shall not be required, and in each case the Ontario Bulk Sales Act shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (r) to make an assignment into bankruptcy on behalf of the Debtor;
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

And in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below),

including the Debtor, and without interference from any other Person.

3. **THIS COURT ORDERS** that the Receiver is authorized and directed to enter into a Management Services Agreement with IM Hospitality Inc. (the "**Manager**"), substantially in the form attached as Appendix A to the First Report.

4. **THIS COURT ORDERS** that the sale process described in Section 4 of the First Report is hereby approved.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

5. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, the Manager or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on



any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the

credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

#### **PIPEDA**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated,

might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$75,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

#### **SERVICE AND NOTICE**

25. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.farberfinancial.com/insolvency-engagements/bid/390826/Pembroke-Residence-Ltd>'.

26. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

27. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

29. **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 Receiver 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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OCT 16 2014

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## SCHEDULE "A"

### RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that [RECEIVER'S NAME], the receiver (the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_\_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[RECEIVER'S NAME], solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:



HANDS-ON CAPITAL INVESTMENTS INC.

Applicant

and

PEMBROKE RESIDENCE LTD.

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
Proceedings commenced at TORONTO

**RECEIVERSHIP ORDER**

**CHAITONS LLP**  
Barristers and Solicitors  
5000 Yonge Street, 10th Floor  
Toronto, ON M2N 7E9

**Maya Poliak**  
LSUC Registration No. 54100A  
Tel: (416) 218-1161  
Fax: (416) 218-1844

Lawyers for the Applicant

TAB B

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) TUESDAY, THE 3<sup>RD</sup> DAY  
 )  
JUSTICE NEWBOLD ) OF MARCH, 2015

BETWEEN:

**HANDS-ON CAPITAL INVESTMENTS INC.**

Applicant

- and -



**PEMBROKE RESIDENCE LTD.**

Respondent

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by A. Farber & Partners Inc., in its capacities as the Court-appointed receiver and manager (in such capacities, the **"Receiver"**), without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the **"Debtor"**) for an order, *inter alia*, authorizing the Receiver to complete the sale transaction (the **"Transaction"**) contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Kevin Sit Investments Inc. (the **"Purchaser"**), as purchaser, dated December 3, 2014 (the **"Sale Agreement"**), a copy of which is attached as Appendix "D" to the Third Report of the Receiver dated February 19, 2015 (the **"Third Report"**), and vesting in the Purchaser, or as it may direct,

all of the Debtor's right, title and interest in and to the property described in the Sale Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report and appendices thereto, and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Paula Hoosain sworn February 19, 2015, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Receiver 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 Purchased Assets to the Purchaser, or as it may direct.
2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, or as it may direct, 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, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Newbould dated October 17, 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 "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule "D"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the appropriate Land Titles Division of an Application for Vesting Order 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, or as it may direct, 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.

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

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal*

*Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

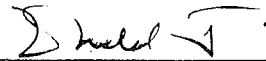
7. **THIS COURT ORDERS** that, notwithstanding:

- (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 the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor,

the vesting of the Purchased Assets in the Purchaser, or as it may direct, pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a 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.

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

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 Receiver 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



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



MAR - 3 2015

**Schedule "A" – Form of Receiver's Certificate**

Court File No. CV-14-10614-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**HANDS-ON CAPITAL INVESTMENTS INC.**

Applicant

- and -

**PEMBROKE RESIDENCE LTD.**

Respondent

**RECEIVER'S CERTIFICATE**

**RECITALS**

(A) Pursuant to an Order of the Honourable Mr. Justice Newbould of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 17, 2014, A. Farber & Partners Inc. ("**Farber**") was appointed as receiver and manager (in such capacities, the "**Receiver**"), without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the "**Debtor**").

(B) Pursuant to Orders of the Court dated January 8, 2015 and March 3, 2015, the Court approved the agreement of purchase and sale between the Receiver, as vendor, and Kevin Sit Investments Inc. (the "**Purchaser**"), as purchaser, dated December 3, 2014 (the "**Sale Agreement**"), and provided for the vesting in the Purchaser, or as it may direct, of all of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale



Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the purchase price for the Purchased Assets; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Receiver.

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

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the purchase price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. The transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**A. FARBER & PARTNERS INC.**, solely in its capacities as the Court-appointed receiver and manager of all of the assets, undertakings and properties of Pembroke Residence Ltd.

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SCHEDULE "B"**  
**LEGAL DESCRIPTION OF PROPERTY**

|    | <b>PIN</b>     | <b>Legal Description</b>  |
|----|----------------|---|
| 1. | 21100-0139(LT) | Lot 46, Plan 150 (Toronto); Pt Lot 45, Plan 150 (Toronto) as in CA270989; T/W & S/T CA270989; City of Toronto |

**SCHEDULE "C"**  
**INSTRUMENTS TO BE DELETED FROM TITLE TO PROPERTY**

1. Instrument No. CA270989 being a Transfer under power of sale in favour of Pembroke Residence Ltd. dated April 5, 1994.
2. Instrument No. AT2564950 being a Notice of Change of Address re Ontario Wealth Management Corporation registered November 30, 2010.
3. Instrument No. AT2605347, being a Charge in favour of 1280584 Ontario Inc. registered January 25, 2011.
4. Instrument No. AT3193489, being a Charge in favour of Hands-On Capital Investments Inc. registered December 7, 2012.
5. Instrument No. AT3264628, being a Charge in favour of Kevin Sit Investments Inc. registered March 27, 2013.
6. Instrument No. AT3264647, being a Notice of Assignment of Rents (General) in favour of Kevin Sit Investments Inc. registered March 27, 2013.
7. Instrument No. AT3264648, being a Notice in favour of Hands-On Capital Investments Inc. registered March 27, 2013.
8. Instrument No. AT3266117, being a Postponement by 1280584 Ontario Inc. in favour of Hands-On Capital Investments Inc. registered March 28, 2013.
9. Instrument No. AT3266118, being a Postponement by 1280584 Ontario Inc. in favour of Kevin Sit Investments Inc. registered March 28, 2013.
10. Instrument No. AT3318304, being a Charge in favour of Hands-On Capital Investments Inc. registered June 6, 2013.
11. Instrument No. AT3650276, being a Notice of Security Interest in favour of Indcom Leasing Inc. registered July 31, 2014.
12. Instrument No. AT3719108, being a Notice of an equitable mortgage in favour of Bahia Mar Capital Ventures Inc., registered October 22, 2014.

**SCHEDULE "D"**  
**PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS**

1. Plan 63BA821 being a Boundaries Act Plan filed May 3, 1976.

**HANDS-ON CAPITAL INVESTMENTS INC.**

- and -

**PEMBROKE RESIDENCE LTD.**

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced at Toronto**

**APPROVAL AND VESTING ORDER**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

**D. Robb English (LSUC # 19862F)**

Tel: (416) 865-4748

Fax: (416) 863-1515

Email: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

**Jeremy Nemers (LSUC # 66410Q)**

Tel: (416) 865-7724

Fax: (416) 863-1515

Email: [jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)

*Lawyers for A. Farber & Partners Inc., in its capacity as the Court-appointed receiver and manager of Pembroke Residences Ltd.*

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

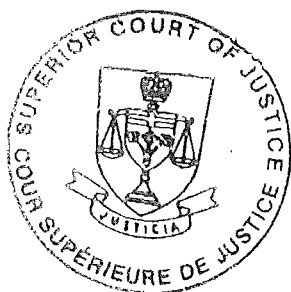
THE HONOURABLE MR. ) TUESDAY, THE 3<sup>RD</sup> DAY  
 )  
JUSTICE NEWBOLD ) OF MARCH, 2015

BETWEEN:

**HANDS-ON CAPITAL INVESTMENTS INC.**

Applicant

- and -



**PEMBROKE RESIDENCE LTD.**

Respondent

**ORDER  
(re Ancillary Matters)**

**THIS MOTION**, made by A. Farber & Partners Inc., in its capacities as the Court-appointed receiver and manager (in such capacities, the “**Receiver**”), without security, of all of the assets, undertakings and properties of Pembroke Residence Ltd. (the “**Debtor**”) for an order, *inter alia*: (i) approving the Third Report of the Receiver dated February 19, 2015 (the “**Third Report**”) and the activities of the Receiver described therein; (ii) authorizing the Receiver to distribute certain funds on account of outstanding obligations; (iii) approving the Receiver’s interim statement of receipts and disbursements for the period ended January 31, 2015 (the “**Receiver’s Interim R&D**”); and (iv) approving the fees and disbursements of the Receiver and its counsel, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report and appendices thereto, the affidavit of Noah Litwack sworn February 18, 2015 (the "**Litwack Affidavit**") and the affidavit of Jeremy Nemers sworn February 17, 2015 (the "**Nemers Affidavit**"), and on hearing the submissions of counsel for the Receiver and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Paula Hoosain sworn February 19, 2015, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the notice of motion and the motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the Third Report and the activities of the Receiver described therein are hereby approved.
3. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to distribute \$28,069.70 to Canada Revenue Agency, without further Order of this Court, on account of the Debtor's indebtedness for payroll source deductions.
4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to distribute \$60,000.00 plus applicable interest and accrued charges to Hands-On Capital Investments Inc. (the "**First Mortgagee**"), without further Order of this Court, on account of repayment of the Receiver's borrowings from the First Mortgagee in the aggregate principal amount of \$60,000.00.
5. **THIS COURT ORDERS** that the Receiver be and is hereby authorized to distribute up to the amount of \$4,391,077.23 to the First Mortgagee, plus any interest, fees and other amounts

accruing after February 28, 2015, without further Order of this Court, on account of the Debtor's indebtedness to the First Mortgagee.

6. **THIS COURT ORDERS** that the Receiver's Interim R&D, as further described in the Third Report, be and is hereby approved.

7. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, as described in the Third Report and as set out in the Litwack Affidavit, be and are hereby approved.

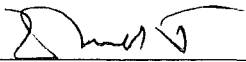
8. **THIS COURT ORDERS** that the fees and disbursements of Aird & Berlis LLP, counsel to the Receiver, as described in the Third Report and as set out in the Nemers Affidavit, be and are hereby approved.

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 Receiver 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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



MAR - 3 2015



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HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced at Toronto**

**ORDER  
(Re Ancillary Matters)**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

**D. Robb English (LSUC # 19862F)**  
Tel: (416) 865-4748  
Fax: (416) 863-1515  
Email: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

**Jeremy Nemers (LSUC # 66410Q)**  
Tel: (416) 865-7724  
Fax: (416) 863-1515  
Email: [jnemers@airdberlis.com](mailto:jnemers@airdberlis.com)

*Lawyers for A. Farber & Partners Inc., in its capacity as the Court-appointed receiver and manager of Pembroke Residences Ltd.*

TAB C



Industry Canada

Industrie Canada

Office of the Superintendent  
of Bankruptcy Canada

Bureau du surintendant  
des faillites Canada

District of: Ontario  
Division No.: 09 - Toronto  
Court No.: 31-1962549  
Estate No.: 31-1962549

In the Matter of the Bankruptcy of:

**PEMBROKE RESIDENCE LTD.**

Debtor

**A. FARBER & PARTNERS INC.**

Trustee

Ordinary Administration

---

|                              |  |           |        |
|------------------------------|--|-----------|--------|
| Date and time of bankruptcy: | February 19, 2015, 10:10   | Security: | \$0.00 |
| Date of trustee appointment: | February 19, 2015  |           |        |
| Meeting of creditors:        | March 11, 2015, 11:00<br>1600-150 YORK STREET<br>TORONTO, Ontario<br>Canada, |           |        |
| Chair:                       | Trustee  |           |        |

---

CERTIFICATE OF APPOINTMENT - Section 49 of the Act; Rule 85

I, the undersigned, official receiver in and for this bankruptcy district, do hereby certify that:

- the aforementioned debtor filed an assignment under section 49 of the *Bankruptcy and Insolvency Act*;
- the aforementioned trustee was duly appointed trustee of the estate of the debtor.

The said trustee is required:

- to provide to me, without delay, security in the aforementioned amount;
- to send to all creditors, within five days after the date of the trustee's appointment, a notice of the bankruptcy; and
- when applicable, to call in the prescribed manner a first meeting of creditors, to be held at the aforementioned time and place or at any other time and place that may be later requested by the official receiver.

Date: February 19, 2015, 14:44

E-File/Dépôt Electronique

Official Receiver

25 St. Clair Avenue East, 6th floor, Toronto, Ontario, Canada, M4T1M2, (877)376-9902

Canada

TAB D

IN THE MATTER OF THE RECEIVERSHIP OF  
THE PROPERTY OF

PEMBROKE RESIDENCE LTD.

**INTERIM REPORT OF RECEIVER**  
(The *Bankruptcy and Insolvency Act* Subsection 246(2))

The purpose of this report is to provide an interim report to the Superintendent of Bankruptcy, Trustee of the Estate of Pembroke Residence Ltd. and any interested creditor as per Section 246(2) of the *Bankruptcy and Insolvency Act*.

Effective October 17, 2014, the undersigned, A. Farber & Partners Inc., was appointed receiver and manager (the "**Receiver**") of the property of Pembroke Residence Ltd. (the "**Company**"), a bankrupt, by Order by the Honourable Mr. Justice Newbold of the Ontario Superior Court of Justice (Commercial List) (the "**Court**").

Attached is an Interim Statement of Receipts and Disbursements of the Receiver for the period from October 17, 2014 to April 27, 2015.

The assets of the Company in the possession of or under the control of the Receiver that have not yet been sold or realized on are various tax refunds.

The Receiver is currently attempting to realize upon the remaining assets. The Receiver shall apply to Court for approval of its discharge within thirty (30) days of this report and shall proceed to complete the administration within six (6) months. A final report of the Receiver shall be issued in due course.

DATED at Toronto, this 27th day of April, 2015.

**A. FARBER & PARTNERS INC.**  
**RECEIVER OF REMBROKE RESIDENCE LTD.**



Per: Noah M. Litwack, CIRP

In the Matter of the Receivership of  
**PEMBROKE RESIDENCE LTD.**  
Interim Statement of Receipts & Disbursements  
as at April 27, 2015

**Receipts**

|                       |                        |
|-----------------------|------------------------|
| Receiver's Borrowings | \$ 60,000.00           |
| Sale of assets enbloc | 4,500,000.00           |
| Utilities refund      | 419.85                 |
| Interest allocation   | 844.22                 |
| Sales                 | 274,842.37             |
| HST collected         | 32,979.80              |
| <b>Total Receipts</b> | <b>\$ 4,869,086.24</b> |

**Disbursements**

|  |                   |
|--|-------------------|
| Filing fees paid to Official Receiver  | \$ 70.00          |
| HST on administrative Disbursements    | 35,193.62         |
| Receiver's fees and costs              | 92,236.00         |
| Pre-Receivership payroll               | 6,104.82          |
| Newspaper advertising sales process    | 1,468.88          |
| Insurance                              | 5,662.47          |
| Bank charges                           | 2,716.23          |
| Photocopies, postage and fax           | 1,244.07          |
| Telephone                              | 7,241.68          |
| Redirection of mail                    | 155.95            |
| Appraisal fees                         | 7,617.00          |
| Legal fees/disbursements               | 48,894.11         |
| Commission                             | 17,805.17         |
| Payroll deductions                     | 18,439.74         |
| Deemed Trust Claim                     | 28,069.70         |
| GST/HST remitted                       | 17,835.71         |
| Computer services                      | 120.00            |
| Accounting services                    | 6,600.00          |
| Utilities                              | 39,102.47         |
| Repairs & maintenance                  | 28,383.64         |
| Municipal taxes                        | 22,256.11         |
| Wages                                  | 70,915.98         |
| Outside consulting                     | 44,845.09         |
| Transfer to ordinary bankruptcy estate | 16,950.00         |
| Other Miscellaneous Disbursements      | 275.00            |
| Purchases                              | 1,934.90          |
| Expenses                               | 21,286.34         |
| Repayment of Receiver's Borrowings     | 60,000.00         |
| Interest on Receiver's Borrowings      | 2,467.22          |
| Interest                               | 104.79            |
| Operating Expenses                     | 22,879.22         |
| Equipment Leasing                      | 6,974.17          |
| <b>Total Disbursements</b>             | <b>635,850.08</b> |

Payment to secured creditor 4,070,000.00

**Receipts Over Disbursements** **\$ 163,236.16**

**Represented by:**

Cash in Receiver's Bank Account **\$ 163,236.16**

# TAB E

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

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND**

**IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O.  
1990 c. C.43, AS AMENDED WITH RESPECT TO PEMBROKE RESIDENCE LTD.  
OPERATING AS KNIGHTS INN TORONTO**

**FEES OF A. FARBER & PARTNERS INC. AS  
RECEIVER AND MANAGER OF PEMBROKE RESIDENCE LTD.  
FOR THE PERIOD ENDED APRIL 28, 2015**

**AFFIDAVIT OF NOAH LITWACK**  
(Sworn April 29, 2015)

I, **NOAH LITWACK**, of the City of Toronto, in the Province of Ontario, MAKE OATH  
AND STATE:

1. I am a Trustee of A. Farber & Partners Inc. and, as such, have knowledge of the matters to which I hereinafter depose.
2. A. Farber & Partners Inc. ("**Farber**") was appointed as receiver and manager (the "**Receiver**") of the properties, assets and undertakings of Pembroke Residence Ltd. ("**Pembroke**") pursuant to an Order of this Court made on the 17<sup>th</sup> day of October, 2014.



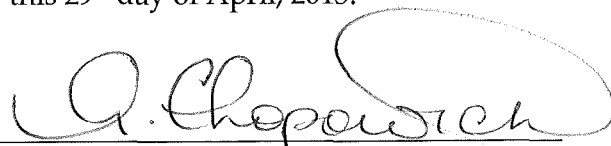
3. During the period February 1, 2015 to April 28, 2015 the Receiver has incurred fees and disbursements, including HST, but excluding the fees of its legal counsel, in the amount of \$40,217.63. A summary of the time incurred, disbursements and HST is attached hereto as **Exhibit "A"**. Particulars of the work performed are contained in the statement of fees of A. Farber & Partners Inc., a copy of which is attached hereto as **Exhibit "B"**. The average hourly rate in respect of the accounts is \$346.33.

4. To the best of my knowledge, the rates charged by Farber in connection with acting as Receiver are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services.

5. The hourly billing rates set out in the Receiver's statement of fees are the normal hourly rates charged by Farber for services rendered in relation to similar proceedings.

6. This affidavit is made in support of a motion to, *inter alia*, seek approval of the foregoing fees and disbursements as fair and reasonable.

**SWORN BEFORE ME** at the  
City of Toronto, in the  
Province of Ontario,  
this 29<sup>th</sup> day of April, 2015.



Commissioner for Taking Affidavits



NOAH LITWACK


Annette Chopowick, a Commissioner, etc.,  
Province of Ontario, for A. Farber & Partners Inc.  
Trustee in Bankruptcy.  
Expires: April 15, 2016.

Exhibit "A"

Summary of Time

This is Exhibit "A" to the Affidavit  
of Noah Litwack

Sworn before me this 29<sup>th</sup> day  
of April, 2015

  
A Commissioner, etc.

Annette Chopowick, a Commissioner, etc.,  
Province of Ontario, for A. Farber & Partners Inc.  
Trustee in Bankruptcy.  
Expires: April 15, 2016.

A. FARBER & PARTNERS INC.

EXHIBIT "A"

PEMBROKE RESIDENCE LTD.

SUMMARY OF TIME INCURRED

FEBRUARY 1, 2015 TO APRIL 28, 2015

| Invoice from<br>Feb 1, 2015 to Apr 28, 2015 |           |             |              |
|---|-----------|-------------|--------------|
| Name  | Rate/Hour | Total Hours | Total Fees   |
| H. Levy                                     | \$ 575.00 | 10.50       | \$ 6,037.50  |
| J. Hendriks                                 | \$ 525.00 | 0.10        | \$ 52.50     |
| N. Litwack                                  | \$ 425.00 | 52.80       | \$ 22,440.00 |
| L. Samoilov                                 | \$ 165.00 | 33.40       | \$ 5,511.00  |
| L. Lloyd-Key                                | \$ 155.00 | 0.90        | \$ 139.50    |
| A. Chopowick                                | \$ 155.00 | 1.80        | \$ 279.00    |
| Total                                       |           | 99.50       | \$ 34,459.50 |
| Average rate per hour:                      |           |             | \$ 346.33    |

|          |  |             |
|----------|--|-------------|
| Expenses |  | \$ 1,278.39 |
|----------|--|-------------|

Total Fees and Expenses \$35,737.89

HST \$4,479.74

Total \$40,217.63

Exhibit "B"

Statements of Fees

This is Exhibit "B" to the Affidavit

of Noah Litwack

Sworn before me this 29<sup>th</sup> day

of April, 2015



A Commissioner, etc.

Annette Chopowick, a Commissioner, etc.,  
Province of Ontario, for A. Farber & Partners Inc.  
Trustee in Bankruptcy.  
Expires: April 15, 2016.

150 York Street  
Suite 1600  
Toronto, ON M5H 3S5  
Canada  
Office 416.497.0150  
Fax 416.496.3839  
www.farberfinancial.com

April 29, 2015

Pembroke Residence Ltd.  
117 Pembroke Street  
Toronto, ON M5A 2N9

Invoice No. 11743

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**TO PROFESSIONAL SERVICES RENDERED BY A. FARBER & PARTNERS INC. for the period ended April 28, 2015.**

| DATE       | SERVICE   | STAFF    |
|------------|---|----------|
| 02/02/2015 | Consulting fees - Corporate<br>Reviewed Bell invoices and correspondence from Bell re outstanding amounts owing; provided direction for payment.  | Litwack  |
| 02/02/2015 | Banking - Corporate<br>Banking, posting.  | Samoilov |
| 02/03/2015 | Consulting fees - Corporate<br>Reviewed payroll and expense disbursement request; provided direction for payment of same; reviewed staff T4's for 2014 for accuracy.  | Litwack  |
| 02/03/2015 | Banking - Corporate<br>Banking, posting.  | Samoilov |
| 02/04/2015 | Consulting fees - Corporate<br>Correspondence with staff bookkeeper re payroll; reviewed petty cash reconciliation.   | Litwack  |
| 02/04/2015 | Banking - Corporate<br>Banking, posting; review information for T4's.   | Samoilov |
| 02/05/2015 | Consulting fees - Corporate<br>Various correspondence and follow up with interested parties re forthcoming offers; reviewed revised T4's and provided direction for further revision; reviewed invoices and provided direction for payment. | Litwack  |
| 02/05/2015 | Banking - Corporate<br>Banking, posting.  | Samoilov |
| 02/06/2015 | Consulting fees - Corporate<br>Follow up phone calls and emails to prospective purchasers.  | Litwack  |

|            |  |          |
|------------|--|----------|
| 02/06/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov |
| 02/09/2015 | Consulting fees - Corporate<br>Follow up phone calls to prospective purchasers.  | Litwack  |
| 02/09/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov |
| 02/10/2015 | Consulting fees - Corporate<br>Call with Iqbal Moledina regarding various operating items; discussions with Noah Litwack re: potential offers.   | Levy     |
| 02/10/2015 | Consulting fees - Corporate<br>Reviewed payroll records and assisted L Samoilov with T4 review; final follow up phone calls to various interested parties re offers to purchase; discussions with H Levy re conclusion of sales process.   | Litwack  |
| 02/11/2015 | Consulting fees - Corporate<br>Discussions with Noah Litwack regarding receiver report, timing, items to include; emails and calls with Robb English re: same.   | Levy     |
| 02/11/2015 | Consulting fees - Corporate<br>Reviewed deemed trust claim from CRA; correspondence with manager re retention of documents; reviewed various invoices re Pembroke operations; provided direction to staff accountant re preparation of employee T4's; email correspondence with purchaser's legal counsel re results of sales process; reviewed deposits; began drafting receiver's third report to court. | Litwack  |
| 02/11/2015 | Banking - Corporate<br>Review T4's and T4 summary prepared by the company. Banking, posting.   | Samoilov |
| 02/12/2015 | Consulting fees - Corporate<br>Various emails and discussions with Robb English, Noah Litwack, Iqbal Moledina regarding court dates, closing, mortgage calculations, HST issues.   | Levy     |
| 02/12/2015 | Consulting fees - Corporate<br>Continued drafting Receiver's Third Report to Court; various correspondence with legal counsel and discussions with H Levy re receiver's report.  | Litwack  |

|            |  |           |
|------------|--|-----------|
| 02/13/2015 | Consulting fees - Corporate<br>Document preparation.   | Chopowick |
| 02/13/2015 | Consulting fees - Corporate<br>Completed first draft of receiver's third report to court;<br>drafted interim statement of receipts and disbursements<br>to January 31, 2015; various correspondence with<br>receiver's legal counsel re report and service.  | Litwack   |
| 02/13/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 02/17/2015 | Consulting fees - Corporate<br>Reviewed and revised receiver's third report to the<br>court; various correspondence with legal counsel re<br>receiver's report.  | Litwack   |
| 02/17/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 02/18/2015 | Consulting fees - Corporate<br>Reviewed operations expenses and provided direction<br>for payment of same; completed drafting and revising<br>receiver's third report to court and provided same to<br>legal counsel for service; reviewed deposits and<br>disbursements.                                    | Litwack   |
| 02/18/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 02/19/2015 | Consulting fees - Corporate<br>Provided finalized and executed copy of report to legal<br>counsel for service; various correspondence with staff<br>accountant re outstanding invoices for payment;<br>executed fee affidavit; correspondence with equipment<br>lessor re transfer of services to purchaser. | Litwack   |
| 02/19/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 02/20/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 02/20/2015 | Banking - Corporate<br>Bank reconciliation for January 2015.   | Lloyd-Key |
| 02/23/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |

|            |  |           |
|------------|--|-----------|
| 02/24/2015 | Consulting fees - Corporate<br>Update website and post documents; email to N Litwack and H Levy.   | Chopowick |
| 02/24/2015 | Consulting fees - Corporate<br>Provided direction re additions to receiver's website and posting of documents.   | Litwack   |
| 02/24/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 02/25/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 02/27/2015 | Consulting fees - Corporate<br>Forward email from Bell Canada to N Litwack.  | Chopowick |
| 02/27/2015 | Consulting fees - Corporate<br>Reviewed invoices and provided direction for payment of same; correspondence with L Fried, legal counsel to the purchaser, re transition of services on closing of sale.  | Litwack   |
| 02/27/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/02/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/03/2015 | Consulting fees - Corporate<br>review and approve large batch of cheques including payroll.  | Hendriks  |
| 03/03/2015 | Consulting fees - Corporate<br>Attended at court for approval and vesting order; reviewed various expenses statements and invoices for approval and payment; reviewed reconciliation of February sales and deposits; correspondence with purchaser's counsel re closing issues; correspondence with franchisor re transfer of franchise agreement; correspondence with insurance broker re cancellation of services. | Litwack   |
| 03/03/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/04/2015 | Consulting fees - Corporate<br>Email correspondence with legal counsel re closing documents and adjustments.   | Litwack   |



|            |  |           |
|------------|--|-----------|
| 03/04/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/05/2015 | Consulting fees - Corporate<br>Various correspondence with staff accountant re outstanding accounts; provided documents for closing and adjustments; provided direction for payment of outstanding accounts.   | Litwack   |
| 03/05/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/06/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/09/2015 | Consulting fees - Corporate<br>Review of statement of adjustments and discussions with Noah Litwack.   | Levy      |
| 03/09/2015 | Consulting fees - Corporate<br>Various correspondence with legal counsel re final adjustments re closing; reviewed expenses for adjustments and projected funding to closing; telephone and email correspondence with franchisor re transfer of franchise agreement; discussions with H Levy re closing. | Litwack   |
| 03/10/2015 | Consulting fees - Corporate<br>Discussion with manager re outstanding Rogers invoice; direction to pay other outstanding invoices; reviewed employee issues for closing.   | Litwack   |
| 03/10/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/11/2015 | Consulting fees - Corporate<br>Numerous calls and emails throughout the week with Iqbal Moledina, Robb English, Randy Hooke, Noah Litwack regarding closing.   | Levy      |
| 03/11/2015 | Consulting fees - Corporate<br>Correspondence with staff accountant re outstanding invoices; direction re payment of interest on receiver's borrowings and management fees.  | Litwack   |
| 03/12/2015 | Consulting fees - Corporate<br>Request copies of blank ROE forms per request by N Litwack.   | Chopowick |

|            |  |          |
|------------|--|----------|
| 03/12/2015 | Consulting fees - Corporate  | Litwack  |
|            | Various correspondence with manager; various correspondence with legal counsel re closing of sale; reviewed closing documents.   |          |
| 03/13/2015 | Consulting fees - Corporate  | Levy     |
|            | Numerous calls with Louis Fried; call with Wyndham; call with Robb English re: update on closing issues raised by Purchaser; Update to Iqbal Moledina; discussions with Noah Litwack regarding Wyndham contract.           |          |
| 03/13/2015 | Consulting fees - Corporate  | Litwack  |
|            | Various correspondence with franchisor and purchaser's legal counsel re transfer of franchise agreement; reviewed and executed closing documents for sale of property; discussions with H Levy.                            |          |
| 03/15/2015 | Consulting fees - Corporate  | Litwack  |
|            | Drafted cash flow projection to administration's completion.   |          |
| 03/16/2015 | Consulting fees - Corporate  | Levy     |
|            | Calls and emails with Iqbal Moledina; emails and discussions with Aird & Berlis LLP regarding payment of first mortgage of \$900,000; review of redirection of funds and other closing documents.                          |          |
| 03/16/2015 | Consulting fees - Corporate  | Litwack  |
|            | Various correspondence with service providers re sale and closing of accounts; various correspondence with purchaser and legal counsel; provided direction to legal counsel re completion of sale.                         |          |
| 03/16/2015 | Banking - Corporate  | Samoilov |
|            | Banking, posting.  |          |
| 03/17/2015 | Consulting fees - Corporate  | Litwack  |
|            | Reviewed cheque requisitions and payroll request and provided direction re same; provided direction re receipt and payment of funds to secured creditor; correspondence with insurance provider re cancellation of policy. |          |
| 03/17/2015 | Banking - Corporate  | Samoilov |
|            | Banking, posting.  |          |
| 03/18/2015 | Consulting fees - Corporate  | Levy     |
|            | Various emails and calls regarding wire transfer payment to Hands on Capital.  |          |

|            |  |           |
|------------|--|-----------|
| 03/18/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/19/2015 | Consulting fees - Corporate<br>Worked with staff accountant to reconcile deposits,<br>finalize employee issues and reconcile HST.  | Litwack   |
| 03/19/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/20/2015 | Consulting fees - Corporate<br>Provided direction re employee issues; reviewed T4<br>schedule and addressed ROE's requirement.   | Litwack   |
| 03/20/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/20/2015 | Banking - Corporate<br>Bank reconciliation for February 2015.  | Lloyd-Key |
| 03/23/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/24/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/25/2015 | Consulting fees - Corporate<br>Various calls and discussions with Noah Litwack, Iqbal<br>Moledina, Kevin Sit throughout the week.  | Levy      |
| 03/25/2015 | Consulting fees - Corporate<br>Reviewed HST reconciliation by staff accountant;<br>provided direction for amendment to reconciliation;<br>reviewed Bell Canada accounts for transfer and<br>payments of balance. | Litwack   |
| 03/25/2015 | Consulting fees - Corporate<br>Discussion with N Litwack regarding Bell Canada<br>accounts, final billing and advising of new ownership;<br>email to Bell Canada advising of same.                               | Chopowick |
| 03/26/2015 | Consulting fees - Corporate<br>Reviewed employment records for staff and reconciled<br>schedule of employees for ROE's; completed ROE's for staff.   | Litwack   |
| 03/27/2015 | Consulting fees - Corporate<br>Site visit; meeting with I Moledina, K Sit and staff  | Litwack   |

accountant; removed boxes of records from site;  
provided direction for final payroll.

|            |  |           |
|------------|--|-----------|
| 03/27/2015 | Banking - Corporate<br>Banking, posting adjustments, review account activity.  | Samoilov  |
| 03/30/2015 | Consulting fees - Corporate<br>Met with staff accountant re final pay.   | Litwack   |
| 03/30/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 03/31/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 04/01/2015 | Consulting fees - Corporate<br>Correspondence with Bell Canada re transfer of<br>telephone lines to purchaser; correspondence with<br>manager re same; direction to pay invoice. | Litwack   |
| 04/01/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |
| 04/08/2015 | Consulting fees - Corporate<br>Cheque received from CIBC; email to N Litwack re<br>same and re Enbridge Gas; email from Bell Canada and<br>forward to N Litwack.                 | Chopowick |
| 04/08/2015 | Consulting fees - Corporate<br>Correspondence with purchaser re Bell Canada<br>transfer.   | Litwack   |
| 04/09/2015 | Consulting fees - Corporate<br>Addressed payment of outstanding invoices; further<br>correspondence with purchaser re Bell Canada transfer.                                      | Litwack   |
| 04/10/2015 | Consulting fees - Corporate<br>Email to K Sit to advise of person to contact at Bell<br>Canada to arrange for transfer of account.   | Chopowick |
| 04/10/2015 | Consulting fees - Corporate<br>Correspondence with Indcom Leasing re sale of<br>property and transfer of lease.  | Litwack   |
| 04/10/2015 | Banking - Corporate<br>Banking, posting.   | Samoilov  |

|            |   |           |
|------------|---|-----------|
| 04/13/2015 | Consulting fees - Corporate<br>Correspondence with Indcom Leasing and purchaser re transfer of lease; began drafting Fourth Report to Court.  | Litwack   |
| 04/14/2015 | Consulting fees - Corporate<br>Telephone and email correspondence with Indcom Leasing re transfer of lease and sale of assets; completed first draft of Receiver's Fourth Report to Court and discussion with H Levy re same. | Litwack   |
| 04/16/2015 | Banking - Corporate<br>Banking, posting.  | Samoilov  |
| 04/20/2015 | Banking - Corporate<br>Filing HST returns for the periods ending February 19, 2015 and March 31, 2015; banking, posting.  | Samoilov  |
| 04/21/2015 | Banking - Corporate<br>Bank reconciliation for March 2015.  | Lloyd-Key |
| 04/22/2015 | Banking - Corporate<br>Review payroll records. Prepare schedule to issue T4 slips and T4 summary for the year 2015.   | Samoilov  |
| 04/24/2015 | Consulting fees - Corporate<br>Correspondence with R English re court dates, court report and service of same; revised receiver's fourth report to court; completed schedule for 2015 T4 preparation and filing.              | Litwack   |
| 04/28/2015 | Consulting fees - Corporate<br>Drafted receiver's interim 246(2) report and statement of receipts and disbursements; correspondence with R English and H Levy re court date; reviewed motion materials.                       | Litwack   |

|                               |               |                    |    |                  |
|-------------------------------|---------------|--------------------|----|------------------|
|                               |               | Total for Services | \$ | 34,459.50        |
| Expenses: Ad re Sales Process | \$ 681.39     |                    |    |                  |
| Photocopies, faxes, etc.      | <u>597.00</u> |                    |    |                  |
|                               |               | Total for Expenses |    | <u>1,278.39</u>  |
|                               |               | Subtotal           |    | 35,737.89        |
|                               |               | HST                |    | <u>4,479.74</u>  |
|                               |               | Current Amount Due | \$ | <u>40,217.63</u> |

HST#136800752RT0001

**A. FARBER & PARTNERS INC.**

**PEMBROKE RESIDENCE LTD.**

**SUMMARY OF TIME INCURRED  
FEBRUARY 1, 2015 TO APRIL 28, 2015**

| <b>Name</b>  | <b>Total Hours</b> | <b>Rate Per Hour</b> | <b>Billing</b>     |
|--------------|--------------------|----------------------|--------------------|
| H. Levy      | 10.50              | \$575.00             | \$6,037.50         |
| J. Hendriks  | 0.10               | \$525.00             | \$52.50            |
| N. Litwack   | 52.80              | \$425.00             | \$22,440.00        |
| L. Samoilov  | 33.40              | \$165.00             | \$5,511.00         |
| L. Lloyd-Key | 0.90               | \$155.00             | \$139.50           |
| A. Chopowick | 1.80               | \$155.00             | \$279.00           |
| <b>Total</b> | <b>99.50</b>       |                      | <b>\$34,459.50</b> |

TAB F

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**HANDS-ON CAPITAL INVESTMENTS INC.**

Applicant

- and -

**PEMBROKE RESIDENCE LTD..**

Respondent

APPLICATION UNDER Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C 1985,  
c. B-3, and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43

**AFFIDAVIT OF JEREMY NEMERS**  
(Sworn April 29, 2015)

I, Jeremy Nemers, of the City of Toronto, in the Province of Ontario, MAKE OATH  
AND SAY AS FOLLOWS:

1. I am an associate at Aird & Berlis LLP and, as such, I have knowledge of the matters to which I hereinafter depose. Aird & Berlis LLP has acted as counsel for A. Farber & Partners Inc. ("Farber"), in its capacity as Court-appointed receiver and manager of Pembroke Residence Ltd. and continues to do so.

2. Aird & Berlis LLP has prepared Statements of Account in connection with its mandate as counsel to Farber, namely,


(a) an account dated March 31, 2015 in respect of the period from February 3, 2015 to March 31, 2015. Attached hereto and marked as **Exhibit "A"** to this my affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$517.69.



(b) an account dated April 29, 2015 in respect of the period from April 7, 2015 to April 28, 2015. Attached hereto and marked as **Exhibit "B"** to this my affidavit is a copy of the Statement of Account. The average hourly rate of Aird & Berlis LLP is \$775.00

3. This Affidavit is made in support of a motion to, *inter alia*, approve the attached account of Aird & Berlis LLP and the fees and disbursements detailed therein and for no improper purpose.

SWORN before me at the City of )  
Toronto, in the Province of Ontario )  
This 29<sup>th</sup> day of April, 2015 )

  
\_\_\_\_\_  
A Commissioner, etc.

  
\_\_\_\_\_  
**JEREMY NEMERS**

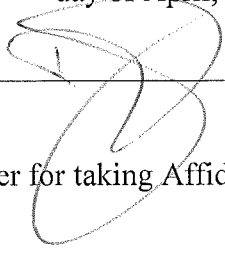
Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF JEREMY NEMERS

Sworn before me

This 29<sup>th</sup> day of April, 2015

  
\_\_\_\_\_  
Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:

# AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street  
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada  
T 416.863.1500 F 416.863.1515  
www.airdberlis.com

A. Farber & Partners Inc.  
1600 - 150 York Street  
Toronto, ON  
Canada M5H 3S5

Attention: Mr. Hylton Levy

**Account No.: 504769**

PLEASE WRITE ACCOUNT NUMBERS  
ON THE BACK OF ALL CHEQUES

File No.: 13885/121125

March 31, 2015

**Re: Pembroke Residence Ltd. (Receiver of)**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended March 31, 2015:

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE    | DESCRIPTION   |
|--------|----------|---------------|------|----------|---|
| DRE    | 03/02/15 | \$775.00      | 0.20 | \$155.00 | Inquiry regarding offers  |
| DRE    | 09/02/15 | \$775.00      | 0.20 | \$155.00 | Review and update with H. Levy  |
| DRE    | 10/02/15 | \$775.00      | 0.30 | \$232.50 | Deal with results on bid process;<br>Instruct J. Nemers on next steps and<br>motion   |
| DRE    | 11/02/15 | \$775.00      | 0.20 | \$155.00 | Instruct on approval motion   |
| KC     | 12/02/15 | \$285.00      | 0.30 | \$85.50  | Subsearch title re 117 Pembroke<br>Street, Toronto; Obtain and review<br>title registrations  |
| DRE    | 12/02/15 | \$775.00      | 1.00 | \$775.00 | Discuss motion content and<br>process; Discuss HST and<br>bankruptcy issues; Instruct J.<br>Nemers; Instruct clerk regarding<br>security review; Letter with Receiver |
| SRM    | 12/02/15 | \$325.00      | 2.20 | \$715.00 | Review mortgage material; Order<br>and review updated parcel abstract;<br>Review mortgage calculations;<br>Prepare Opinion to Receiver on First<br>Mortgage           |

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE      | DESCRIPTION  |
|--------|----------|---------------|------|------------|--|
| JTN    | 12/02/15 | \$285.00      | 2.10 | \$598.50   | Prepare draft court materials re successful Stalking Horse Bid and attend to related tasks   |
| DRE    | 13/02/15 | \$775.00      | 1.00 | \$775.00   | Instruct J. Nemers; Letter to Receiver; Instruct clerk; Revise security opinion and instruct re further security review  |
| DRE    | 13/02/15 | \$775.00      | 0.30 | \$232.50   | Review and instruct regarding orders   |
| RTH    | 13/02/15 | \$650.00      | 0.40 | \$260.00   | E-mail from Jeremy; E-mail to Jeremy; Review AVO, revise   |
| SRM    | 13/02/15 | \$325.00      | 0.50 | \$162.50   | Review Opinion; Revise Opinion and circulate   |
| JTN    | 13/02/15 | \$285.00      | 2.20 | \$627.00   | Revise and circulate draft court materials for comment; Review security opinion letter re first mortgagee and discussion with S. Morris re same; Telephone call with R. English re next steps; Attend to related matters |
| JTN    | 16/02/15 | \$285.00      | 0.30 | \$85.50    | Review draft third report  |
| DRE    | 17/02/15 | \$775.00      | 1.50 | \$1,162.50 | Review draft receiver report and comment; Revise draft orders; Instruct regarding extension on closing; Instruct J. Nemers   |
| JTN    | 17/02/15 | \$285.00      | 2.30 | \$655.50   | Revise draft court materials re motion returnable March 3; Emails and telephone calls re same with client, R. English and L. Fried   |
| DRE    | 18/02/15 | \$775.00      | 0.40 | \$310.00   | Deal with service issue and bankruptcy issue   |
| DRE    | 18/02/15 | \$775.00      | 0.30 | \$232.50   | [A104] Review/Analyze - update receiver's report   |
| SRM    | 18/02/15 | \$325.00      | 0.70 | \$227.50   | Prepare Security Opinion relating to Kevin Sit Investments and 1280584 Ontario second and third mortgages  |
| JTN    | 18/02/15 | \$285.00      | 2.90 | \$826.50   | Prepare motion record; Telephone calls and emails with client and members of service list re same  |

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE    | DESCRIPTION  |
|--------|----------|---------------|------|----------|--|
| KC     | 19/02/15 | \$285.00      | 0.10 | \$28.50  | Obtain copy of registered assignment of rents  |
| DRE    | 19/02/15 | \$775.00      | 0.50 | \$387.50 | Review revised report; Instruct J. Nemers and consult re remaining issues  |
| DRE    | 19/02/15 | \$775.00      | 0.20 | \$155.00 | Deal with additional security reviews; Instruct clerk  |
| SRM    | 19/02/15 | \$325.00      | 0.40 | \$130.00 | Review Opinions; Review Opinions for second and third mortgages  |
| JTN    | 19/02/15 | \$285.00      | 0.30 | \$85.50  | Arrange for service of motion record   |
| TT     | 19/02/15 | \$240.00      | 1.30 | \$312.00 | Prepare motion record for motion returnable March 3, 2015 re: approval of third report and associated transactions as per J. Nemers' instructions  |
| KC     | 20/02/15 | \$285.00      | 0.40 | \$114.00 | Obtain a copy of registered Charge; Correspond with S. Morris  |
| SRM    | 20/02/15 | \$325.00      | 0.50 | \$162.50 | Obtain additional provisions to Charge; Further revise security Opinions   |
| PW     | 20/02/15 | \$160.00      | 0.60 | \$96.00  | Set down motion for March 3, 2015  |
| DRE    | 23/02/15 | \$775.00      | 0.10 | \$77.50  | Instruct J. Nemers   |
| DRE    | 24/02/15 | \$775.00      | 0.30 | \$232.50 | Instruct J. Nemers and update on motion  |
| IEA    | 26/02/15 | \$425.00      | 1.00 | \$425.00 | Emails to and from R. English regarding the hearing; Meeting with J. Nemers to discuss the record; Engaged with reviewing the motion record; Telephone call with R. English regarding same |
| DRE    | 26/02/15 | \$775.00      | 0.80 | \$620.00 | Telephone call with H. Levy; Instruct I. Aversa; Instruct R. Hooke regarding closing   |
| DRE    | 26/02/15 | \$775.00      | 0.20 | \$155.00 | Letter to L. Fried; Letter to Receiver regarding closing date  |
| RTH    | 26/02/15 | \$650.00      | 0.20 | \$130.00 | E-mails from R. English re closing   |

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE    | DESCRIPTION   |
|--------|----------|---------------|------|----------|---|
| IEA    | 27/02/15 | \$425.00      | 0.50 | \$212.50 | Emails to and from client and J. Nemers regarding the motion materials and the hearing  |
| DRE    | 27/02/15 | \$775.00      | 0.50 | \$387.50 | Review APA; Letter to L. Fried  |
| DRE    | 27/02/15 | \$775.00      | 0.40 | \$310.00 | Letter to R. Hooke; Letter from N. Litvak   |
| RTH    | 27/02/15 | \$650.00      | 0.40 | \$260.00 | E-mail from R. English; E-mail from L. Fried; E-mail to R. English; E-mail from J. Nemers; E-mail from N. Litwack; E-mail to R. English   |
| IEA    | 02/03/15 | \$425.00      | 1.50 | \$637.50 | Engaged with reviewing the draft orders and providing comments; Engaged with reviewing correspondence from mortgagee; Emails to and from R. English and J. Nemers regarding same; Engaged with reviewing draft response to mortgagee and providing comments; Meeting with J. Nemers regarding same; Emails to and from R. English and J. Nemers regarding hearing; Emails to and from client regarding same |
| DRE    | 02/03/15 | \$775.00      | 0.30 | \$232.50 | Instruct J. Nemers re response to counsel; Update receiver  |
| DRE    | 02/03/15 | \$775.00      | 0.30 | \$232.50 | Instruct I. Aversa and update Receiver on status of motion  |
| DRE    | 02/03/15 | \$775.00      | 0.20 | \$155.00 | Review and update Chaitons and receiver   |
| RTH    | 02/03/15 | \$650.00      | 0.30 | \$195.00 | Review agreement of purchase and sale   |
| JTN    | 02/03/15 | \$285.00      | 0.70 | \$199.50 | Receipt and review of letter from G. Gligoric; Draft and issue responding letter; Prepare draft Orders for tomorrow's hearing   |
| IEA    | 03/03/15 | \$425.00      | 2.10 | \$892.50 | Attend court; Emails to and from R. English and J. Nemers regarding the hearing; Emails to and from the service list regarding the order and enforcement  |

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE    | DESCRIPTION   |
|--------|----------|---------------|------|----------|---|
| DRE    | 03/03/15 | \$775.00      | 0.20 | \$155.00 | Confer with Receiver; Instruct J. Nemers  |
| RTH    | 03/03/15 | \$650.00      | 0.70 | \$455.00 | Review agreement; Draft closing documents   |
| JTN    | 03/03/15 | \$285.00      | 1.80 | \$513.00 | Prepare materials for and attend motion to obtain, amongst other things, Approval and Vesting Order; Follow-up discussion with R. Hooke   |
| RTH    | 04/03/15 | \$650.00      | 1.00 | \$650.00 | Review and revise documents; E-mail to client re taxes  |
| RTH    | 05/03/15 | \$650.00      | 0.30 | \$195.00 | Review and revise documents; E-mail from N. Litwack   |
| DRE    | 06/03/15 | \$775.00      | 0.30 | \$232.50 | Review closing status; Instruct real estate counsel   |
| RTH    | 06/03/15 | \$650.00      | 0.30 | \$195.00 | Attend to registration of release; E-mail to client   |
| DRE    | 09/03/15 | \$775.00      | 0.40 | \$310.00 | Instruct R. Hooke re PST issue  |
| RTH    | 09/03/15 | \$650.00      | 1.20 | \$780.00 | E-mail from L. Fried; E-mail to R. English; E-mail from Noah; E-mail to Noah; E-mail from R. English; Draft closing documents; E-mail to L. Fried re retain tax certificate; E-mail from client                 |
| RTH    | 10/03/15 | \$650.00      | 0.30 | \$195.00 | Receipt of requisition letter   |
| IEA    | 11/03/15 | \$425.00      | 0.20 | \$85.00  | Emails to and from M. Poliak, R. English and J. Nemers regarding closing and next steps   |
| DRE    | 11/03/15 | \$775.00      | 0.20 | \$155.00 | Letter to M. Poliak re closing issues   |
| RTH    | 11/03/15 | \$650.00      | 0.90 | \$585.00 | E-mail from purchaser's counsel; E-mail to purchaser's counsel; Telephone call to client; Telephone call from client; Telephone call from purchaser's counsel re various closing issues; E-mail from R. English |
| CAM    | 11/03/15 | \$550.00      | 0.10 | \$55.00  | Email regarding re-direction to mortgagee   |

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE    | DESCRIPTION  |
|--------|----------|---------------|------|----------|--|
| DRE    | 12/03/15 | \$775.00      | 0.50 | \$387.50 | Letter to First Mortgagee; Consult with R. Hooke; Telephone call with and letter to H. Levy, etc.  |
| DRE    | 12/03/15 | \$775.00      | 0.30 | \$232.50 | Instruct R. Hooke regarding closing; Telephone call with H. Levy   |
| RTH    | 12/03/15 | \$650.00      | 0.60 | \$390.00 | Discussion with purchaser's counsel; Discussion with R. English re HST; Direction; Telephone call from purchaser's counsel; Discussion with C. McNeil  |
| CAM    | 12/03/15 | \$550.00      | 1.50 | \$825.00 | Meeting with R. Hooke regarding outstanding closing issues; Drafting S. 167 Election from; Review of Receiver's Certificate; Drafting Re-Direction; Email to client regarding execution of closing documents; Emails regarding closing status  |
| DRE    | 13/03/15 | \$775.00      | 0.60 | \$465.00 | Telephone call with H. Levy re franchise issues; Instruct C. McNeill; Review APA   |
| DRE    | 13/03/15 | \$775.00      | 0.40 | \$310.00 | Letter to L. Fried; Letter regarding closing and 1st mortgage  |
| DRE    | 13/03/15 | \$775.00      | 0.30 | \$232.50 | Letter to L. Fried regarding 1st mortgage balance  |
| DRE    | 13/03/15 | \$775.00      | 0.20 | \$155.00 | Letter to Iqbal; Letter to Chaitons  |
| CAM    | 13/03/15 | \$550.00      | 0.90 | \$495.00 | Telephone call with R. English regarding assignment of franchise agreement; Review of purchase agreement regarding same; Review of franchise agreement regarding assignment requirements; Emails regarding re-direction for mortgagee; Emails to and from L. Fried regarding first mortgagee |
| DRE    | 16/03/15 | \$775.00      | 0.70 | \$542.50 | Review franchise issues and documents; Telephone call with H. Levy; Consult with C. McNeill; Instruct C. McNeill re 900 Kadane   |
| DRE    | 16/03/15 | \$775.00      | 0.80 | \$620.00 | Deal with closing issues; Conference call; Instruct C. McNeill;  |



| LAWYER | DATE     | RATE/<br>HOUR | TIME  | VALUE       | DESCRIPTION   |
|--------|----------|---------------|-------|-------------|---|
|        |          |               |       |             | Review assignment; Review directions  |
| DRE    | 16/03/15 | \$775.00      | 0.50  | \$387.50    | Letter to franchisor; Letter to Receiver; Review closing status   |
| DRE    | 16/03/15 | \$775.00      | 0.10  | \$77.50     | Letter to Receiver; Update regarding post closing   |
| CAM    | 16/03/15 | \$550.00      | 1.70  | \$935.00    | Emails to and from and telephone call with R. English regarding franchise agreement assignment status; Telephone call with J. Fried regarding same; Emails regarding direction re funds; Drafting re-direction and receipt for mortgage; Emails to and from client regarding status of closing; Emails regarding closing documents; Attending to closing matters; Review of executed closing documents; Emails to and from P. Thompson regarding mortgage receipt; Emails regarding closing |
| DRE    | 17/03/15 | \$775.00      | 0.40  | \$310.00    | Revise and send letter to Knight's Inn; Letter to Receiver; Deal with closing   |
| CAM    | 17/03/15 | \$550.00      | 0.20  | \$110.00    | Attending to wire of funds; Email to client regarding same  |
| DRE    | 23/03/15 | \$775.00      | 0.30  | \$232.50    | Deal with land registrar's requests   |
| DRE    | 24/03/15 | \$775.00      | 0.30  | \$232.50    | Review outstanding issues and land registration matters; Consult with Receiver regarding discharge  |
| DRE    | 31/03/15 | \$775.00      | 0.20  | \$155.00    | Instruct J. Nemers re notice to service list  |
| JTN    | 31/03/15 | \$285.00      | 0.40  | \$114.00    | Receipt and review of email sent today from S. Di Millo in response to our email dated February 17, 2015 that sought comments on what were then draft Orders; Prepare responding letter to R. Hanna and S. Di Millo enclosing issued and entered Orders   |
| TOTAL: |          |               | 52.20 | \$27,023.50 |   |

|            |             |
|------------|-------------|
| OUR FEE    | \$27,023.50 |
| HST at 13% | \$3,513.06  |

**DISBURSEMENTS**

**COST INCURRED ON YOUR BEHALF AS AN AGENT**

|                              |          |          |
|------------------------------|----------|----------|
| Notice of Motion/Application | \$127.00 |          |
| Wire Charges                 | \$15.00  |          |
| <br>Total Agency Costs       |          | \$142.00 |

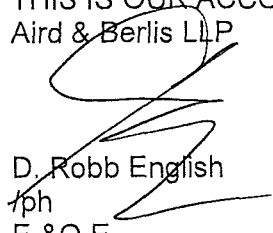
**Subject to HST**

|                         |          |            |
|-------------------------|----------|------------|
| Photocopies - Local     | \$177.75 |            |
| Teraview Search         | \$63.00  |            |
| Fax Charges             | \$51.00  |            |
| Long Distance Charges   | \$7.14   |            |
| Imaging/Scanning        | \$7.50   |            |
| Subsearch-Conveyancer   | \$130.00 |            |
| Photocopies             | \$603.25 |            |
| Binding and Tabs        | \$76.75  |            |
| Deliveries/Parss        | \$179.51 |            |
| Taxi                    | \$17.70  |            |
| <br>Total Disbursements |          | \$1,313.60 |
| HST at 13%              |          | \$170.77   |

|                |                    |
|----------------|--------------------|
| AMOUNT NOW DUE | <u>\$32,162.93</u> |
|----------------|--------------------|

THIS IS OUR ACCOUNT HEREIN

Aird & Berlis LLP

  
D. Robb English  
/ph  
E.&O.E.

**PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT**

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTOR. Please include the account number as reference.

**A. FARBER & PARTNERS INC.**

***In its capacity as Court Appointed Receiver and Manager of Pembroke Residence Ltd.***

***March 31, 2015 Account***

| <b>Lawyer</b>            | <b>Call to Bar</b> | <b>2015<br/>average/hr</b> | <b>Total Time</b> | <b>Value</b> |
|--------------------------|--------------------|----------------------------|-------------------|--------------|
| D.R. English             | 1980               | \$775.00                   | 15.90             | \$12,322.50  |
| R.T. Hooke               | 1989               | \$650.00                   | 6.60              | \$4,290.00   |
| C.A. McNeill             | 1996               | \$550.00                   | 4.40              | \$2,420.00   |
| I.E. Aversa              | 2008               | \$425.00                   | 5.30              | \$2,252.50   |
| J.T. Nemers              | 2014               | \$285.00                   | 13.00             | \$3,705.00   |
| <b>File Clerk</b>        |                    |                            |                   |              |
| Patrick Williams         |                    | \$165.00                   | 0.60              | \$96.00      |
| <b>Banking Clerk</b>     |                    |                            |                   |              |
| Shannon Morris           |                    | \$325.00                   | 4.30              | \$1,397.50   |
| <b>Real Estate Clerk</b> |                    |                            |                   |              |
| K. Connell               |                    | \$285.00                   | 0.80              | \$228.00     |
| <b>Student</b>           |                    |                            |                   |              |
| T. Totan                 |                    | \$240.00                   | 1.30              | \$312.00     |

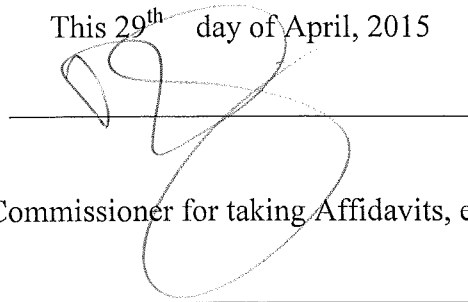
Attached is Exhibit "B"

Referred to in the

AFFIDAVIT OF JEREMY NEMERS

Sworn before me

This 29<sup>th</sup> day of April, 2015

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line and a large loop, is written over a horizontal line.

Commissioner for taking Affidavits, etc

IN ACCOUNT WITH:

## AIRD & BERLIS LLP

Barristers and Solicitors

Brookfield Place, 181 Bay Street  
Suite 1800, Box 754, Toronto, ON M5J 2T9 Canada  
T 416.863.1500 F 416.863.1515  
www.airdberlis.com

A. Farber & Partners Inc.  
1600 - 150 York Street  
Toronto, ON  
Canada M5H 3S5

Attention: Mr. Hylton Levy

**Account No.: 506710**

PLEASE WRITE ACCOUNT NUMBERS  
ON THE BACK OF ALL CHEQUES

File No.: 13885/121125

April 29, 2015

**Re: Pembroke Residence Ltd. (Receiver of)**

FOR PROFESSIONAL SERVICES RENDERED on your behalf throughout the period ended April 29, 2015:

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE    | DESCRIPTION  |
|--------|----------|---------------|------|----------|--|
| DRE    | 07/04/15 | \$775.00      | 0.20 | \$155.00 | Review file  |
| DRE    | 08/04/15 | \$775.00      | 0.10 | \$77.50  | Telephone call with Farber; Review file  |
| DRE    | 14/04/15 | \$775.00      | 0.30 | \$232.50 | Review file and status; Telephone call with H. Levy  |
| DRE    | 23/04/15 | \$775.00      | 0.50 | \$387.50 | Review decision in case with hotel by employees; Consult with receiver on impact and discharge |
| DRE    | 23/04/15 | \$775.00      | 0.30 | \$232.50 | Letter to Receiver; Start review of report   |
| DRE    | 24/04/15 | \$775.00      | 1.00 | \$775.00 | Review and revise report and start draft Order   |
| DRE    | 24/04/15 | \$775.00      | 0.30 | \$232.50 | Review revised report and booking dates  |
| DRE    | 27/04/15 | \$775.00      | 0.30 | \$232.50 | Arrange and set up motion date; Telephone call with Receiver                                   |
| DRE    | 28/04/15 | \$775.00      | 0.30 | \$232.50 | Review revised report; Letter to Farber; Instruct regarding fee Affidavit                      |

| LAWYER | DATE     | RATE/<br>HOUR | TIME | VALUE    | DESCRIPTION  |
|--------|----------|---------------|------|----------|--|
| DRE    | 28/04/15 | \$775.00      | 1.00 | \$775.00 | Draft Order and Notice of Motion<br>and Certificate                                    |
| DRE    | 28/04/15 | \$775.00      | 0.50 | \$387.50 | Review and revise court material;<br>Letter to Farber; Review filing of<br>Certificate |

|               |      |            |
|---------------|------|------------|
| <b>TOTAL:</b> | 4.80 | \$3,720.00 |
|---------------|------|------------|

|                |            |
|----------------|------------|
| <b>OUR FEE</b> | \$3,720.00 |
| HST at 13%     | \$483.60   |

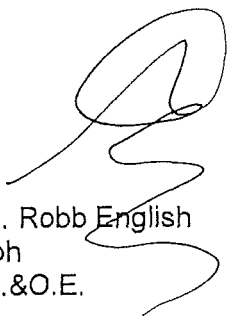
**DISBURSEMENTS**

**COST INCURRED ON YOUR BEHALF AS AN AGENT**

|            |          |
|------------|----------|
| Court Fees | \$127.00 |
|------------|----------|

|                       |                   |
|-----------------------|-------------------|
| <b>AMOUNT NOW DUE</b> | <b>\$4,330.60</b> |
|-----------------------|-------------------|

THIS IS OUR ACCOUNT HEREIN  
Aird & Berlis LLP



D. Robb English  
/ph  
E.&O.E.

**PAYMENT OF THIS ACCOUNT IS DUE ON RECEIPT**

IN ACCORDANCE WITH THE SOLICITORS ACT, ONTARIO, INTEREST WILL BE CHARGED AT THE RATE OF 1.0% PER ANNUM ON UNPAID AMOUNTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS ACCOUNT IS DELIVERED.

GST / HST Registration # 12184 6539 RT0001

NOTE: This account may be paid by wire transfer in Canadian funds to our account at The Toronto-Dominion Bank, TD Centre, 55 King Street West, Toronto, Ontario, M5K 1A2. Account number 5221521, Transit number 10202, Swift Code TDOMCATTTOR. Please include the account number as reference.

***A. FARBER & PARTNERS INC.***

***In its capacity as Court Appointed Receiver and Manager of Pembroke Residence Ltd.***

***April 29, 2015 Account***

| Lawyer       | Call to Bar | 2015/hr | Total Time | Value    |
|--------------|-------------|---------|------------|----------|
| D.R. English | 1980        | 775.00  | 4.80       | 3,720.00 |

**HANDS-ON CAPITAL INVESTMENTS INC.**

- and -

**PEMBROKE RESIDENCE LTD.**

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced at Toronto**

**AFFIDAVIT OF FEES**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
P.O. Box 754  
Toronto, ON M5J 2T9

**D. Robb English (LSUC # 19862F)**

Tel: (416) 865-4748

Fax: (416) 863-1515

Email: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

*Lawyers for A. Farber & Partners Inc., Receiver Pembroke  
Residences Ltd.*



HANDS-ON CAPITAL INVESTMENTS INC.

- and -

PEMBROKE RESIDENCE LTD.

Applicant

Respondent

Court File No. CV-14-10614-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceedings commenced at Toronto**

**MOTION RECORD  
(returnable May 12, 2015)**

**AIRD & BERLIS LLP**  
Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
P.O. Box 754  
Toronto, ON M5J 2T9

**D. Robb English (LSUC # 19862F)**  
Tel: (416) 865-4748  
Fax: (416) 863-1515  
Email: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

*Lawyers for A. Farber & Partners Inc., in its capacity as the Court-appointed receiver and manager of Pembroke Residences Ltd.*