

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

BETWEEN:

ZAHERALI VISRAM

Applicant

- and -

2220277 ONTARIO INC.

Respondent

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED**

**SECOND SUPPLEMENTAL REPORT TO THE FIFTH REPORT TO THE COURT OF
A. FARBER & PARTNERS INC. IN ITS CAPACITY AS COURT APPOINTED
RECEIVER OF 2220277 ONTARIO INC.**

October 24, 2017

A. GENERAL BACKGROUND

1. This Report is the Second Supplemental Report to the Fifth Report to the Court of A. Farber & Partners Inc., dated October 11, 2017 (the “**Fifth Report**”) in its capacity as the Court-appointed receiver (the “**Receiver**”) of the assets, undertakings and properties of 2220277 Ontario Inc. (the “**Debtor**”).
2. All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Fifth Report.

B. PURPOSE OF THE REPORT

3. The purpose of this Second Supplemental Report to the Fifth Report is to provide an update to the Court on the status of the Hotel Lease and Restaurant Lease and the

Receiver's concerns with respect to the ongoing operations of the hotel and restaurant at the Real Property.

C. DISCLAIMER

4. In preparing this Second Supplemental Report to the Fifth Report the Receiver has relied upon unaudited, draft and/or internal financial and other information provided by the sole director and officer of the Debtor, its advisors, and other third party sources. Farber has not independently reviewed or verified such information. The Receiver has prepared this Second Supplemental Report to the Fifth Report for the sole use of the Court and of the other stakeholders in these proceedings.

D. HOTEL LEASE

5. Pursuant to the Hotel Lease, bE SixFifty operates the bE SixFifty Hotel at the Real Property. The Hotel Lease was entered into on July 27, 2016, and a copy is attached as Appendix "D" to the Fifth Report.
6. Karras, the directing mind and sole director of the Debtor, is also the sole director of bE SixFifty.
7. Upon its appointment, the Receiver's counsel wrote to bE SixFifty requesting, among other things, an accounting of all rent paid by bE SixFifty since the commencement of the Hotel Lease. A copy of the letter from the Receiver's counsel to bE SixFifty (without enclosures), dated August 10, 2017, is attached hereto as Appendix "A".
8. On or about August 18, 2017, Karras delivered to the Receiver a Rental Revenue Reconciliation – 2017 (the "**Rent Reconciliation**") which lists various payments allegedly made by bE SixFifty on behalf of the Debtor and set-off against bE SixFifty's 2017 rent payments. No supporting documentation, including invoices or proof of payment, was provided. A copy of the Rent Reconciliation is attached hereto as Appendix "B".
9. In an August 25, 2017 letter, the Receiver's counsel reiterated its request for an accounting as well as payment of rent for August 2-31, 2017 and a post-dated cheque for

September's rent. A copy of the letter from Receiver's counsel to bE SixFifty (without enclosures), dated August 25, 2017, is attached hereto as Appendix "C".

10. On September 1, 2017, bE SixFifty paid September's rent. By letters, dated September 7, 2017 and September 14, 2017, the Receiver's counsel wrote again to bE SixFifty demanding payment of August's rent. A copy of the letters from the Receiver's counsel to bE SixFifty, dated September 7, 2017, and September 14, 2017, are attached hereto as Appendices "D" and "E", respectively.
11. By letter, dated September 18, 2017, bE SixFifty responded stating that due to the payments made on behalf of the Debtor, as set out in the Rent Reconciliation, no rent is owing for the period of August, 2017. Post-dated cheques for rent for October and November were provided "under protest". A copy of the letter from bE SixFifty to Dentons Canada LLP, dated September 18, 2017, is attached hereto as Appendix "F".
12. Upon review of the Rent Reconciliation, the Receiver was not satisfied that all rent for the period from July 26, 2016 (the commencement date of the Lease) to August 31, 2017, had been properly set off and was therefore not due and payable.
13. At its examination of Karras on September 19, 2017, the Receiver requested supporting documentation in respect of the amounts listed on the Rent Reconciliation. Certain limited invoices were provided at the time of the examination and Karras undertook to provide rental reconciliation and rent payment details for 2016.
14. The Receiver did not receive any further evidence that the payments alleged to have been paid by bE SixFifty pursuant to the Rent Reconciliation were in fact made and cleared. Of particular concern are the two payments allegedly made to the Applicant, Zaherali Visram ("**Visram**"), in the amounts of \$20,000 and \$50,000.
15. Contrary to the representations of Karras and bE SixFifty, the Affidavit of Visram, sworn May 15, 2017 and filed in this proceeding (the "**Visram Affidavit**"), states in paragraphs 69-70 that the first cheque, in the amount of \$20,000, never cleared. The Receiver has not received any documentation from bE SixFifty or Karras establishing that the \$20,000 payment to Visram cleared.

16. With respect to the \$50,000 alleged payment to Visram, the Visram Affidavit states in paragraphs 71-72 that the cheque was not deposited. The documentation attached to bE SixFifty's letter, dated September 18, 2017, includes a processed cheque to Visram for \$50,000 but no evidence showing that the payment cleared.
17. Based on its review of the limited documentation provided to support the alleged payments set out in the Rent Reconciliation, its concern that the \$70,000 of payments to Visram did not clear, and the absence of any documentation showing the payment of rent for 2016, the Receiver instructed its counsel to write to bE SixFifty demanding payment of all rent for the period from July 27, 2016 (the commencement date of the Hotel Lease) to August 31, 2017. A copy of the letter from Receiver's counsel to bE SixFifty, dated October 4, 2017, is attached hereto as Appendix "G".
18. bE SixFifty responded by letter, dated October 16, 2017, stating that the Debtor and bE SixFifty agreed to a rent abatement for 2016 until the hotel was operational. Attached to the letter were invoices in respect of certain payments set out in the Rent Reconciliation. A copy of the letter from bE SixFifty, dated October 16, 2017, is attached hereto as Appendix "H".
19. bE SixFifty's responding letter was the first time the Receiver was made aware of any rent abatement under the Hotel Lease. Karras previously advised at his examination that bE SixFifty paid the Debtor's expenses in 2016 and undertook to provide an accounting in that regard. The Receiver never received such accounting and bE SixFifty has now advised the Receiver that rent was not payable in 2016 pursuant to the terms of a lease amendment.
20. The Receiver reviewed the documentation provided by bE SixFifty and determined that it was deficient in establishing that rent was properly offset for a number of reasons. Although various cheques were provided, the payor's name was redacted and there was no evidence that each of the cheques, including the payments to Visram, actually cleared. In addition, only limited invoices in respect of Toronto Hydro and the HVAC were attached, and the Receiver has no documentation showing that most of the payments were in fact made on behalf of, or for the benefit of, the Debtor. For example, the Rent

Reconciliation includes three \$5,000 cheques to Keyser Mason Ball LLP (“**KMB**”), but the documents KMB produced to the Receiver do not include any invoices or retainer accounting showing such payments were for the Debtor’s account.

21. By letter, dated October 18, 2017, the Receiver’s counsel responded to bE SixFifty, outlining the deficiencies in the documentation and noting that the failure to pay rent constituted a default under the Hotel Lease and is grounds for terminating the Hotel Lease. The Receiver’s counsel also requested a copy of the lease amendment(s) setting out that no rent was payable for 2016. A copy of the letter from the Receiver’s counsel to bE SixFifty, dated October 18, 2017, is attached hereto as Appendix “I”. No response has been received as of the date of this Second Supplemental Report.
22. The Receiver is of the view that bE SixFifty has not established that all rent due from July 27, 2016, to August 31, 2017, was abated or otherwise properly set off. Accordingly, all overdue rent appears to remain a receivable owing to the estate such that bE SixFifty is in default of the Hotel Lease and the Hotel Lease may be terminated pursuant to its terms.

E. RESTAURANT LEASE

23. The Restaurant Lease was entered into by the Debtor and the Food Society on April 1, 2017. A copy of the Restaurant Lease is attached as Appendix “E” to the Fifth Report. Karras initially advised the Receiver that, due to the issues with outstanding work orders at the Real Property, the Debtor and the Food Society agreed to a full rent abatement until September 30, 2017.
24. By letter dated August 4, 2017, the Receiver’s counsel wrote to the Food Society requesting, among other things, an accounting of all rent paid to the Debtor since the commencement of the Restaurant Lease and copies of all insurance policies in respect of the business. A copy of the letter from Receiver’s counsel to the Food Society (without enclosures), dated August 4, 2017, is attached hereto as Appendix “J”.
25. On August 18, 2017, Karras provided to the Receiver a copy of a Lease Amendment, dated April 3, 2017 (the “**First Lease Amendment**”), which contemplates a full

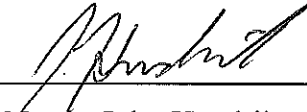
abatement of rent until September 30, 2017. Karras did not at any time mention additional rent abatement agreements.

26. No response was received from the Food Society to the letter from the Receiver's counsel. On August 25, 2017, and October 5, 2017, the Receiver's counsel sent follow up letters requesting the documents set out in its original letter and all overdue rent. Copies of the letters from the Receiver's counsel to the Food Society (without enclosures), dated August 25, 2017, and October 5, 2017, are attached hereto as Appendices "K" and "L".
27. By email dated October 7, 2017, the Food Society responded and provided to the Receiver a copy of a Lease Amendment, dated July 17, 2017, which provides for a full rent abatement until December 1, 2017. As noted above, the Receiver was not previously made aware of any lease amendments beyond the First Lease Amendment. A copy of the email from Diana Voskanova ("**Voskanova**") is attached hereto as Appendix "M".
28. The Food Society's email makes reference to previous correspondence sent to the Receiver's counsel. However no such correspondence was received and each of the Receiver and its counsel confirmed that no emails were caught by their respective spam filters.
29. On October 17, 2017, the Receiver met with Voskanova, the director of the Food Society. At the meeting Voskanova advised the Receiver that the Food Society does not have any insurance coverage. The Receiver understands that the Food Society cannot obtain insurance without an occupancy permit and that an occupancy permit cannot be issued in light of the outstanding work orders at the Real Property. The Receiver will not be undertaking the completion of any construction or restoration work at the Real Property as may be necessary to close the work orders.
30. By letter dated October 18, 2017, the Receiver's counsel gave the Food Society notice that the failure to maintain insurance is a default of the Restaurant Lease and, as a result, the Restaurant Lease could be terminated pursuant to its terms. A copy of the letter from Receiver's counsel to the Food Society, dated October 18, 2017, is attached hereto as

**ALL OF WHICH IS RESPECTFULLY SUBMITTED
THIS 24th DAY OF OCTOBER, 2017.**

**A. Farber & Partners Inc. in its capacity as Court
Appointed Receiver of 222027 Ontario Inc.
and not in its personal or corporate capacity**

Per: _____



Name: John Hendriks
Title: Managing Director

APPENDIX "A"
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

August 10, 2017

File No.: 559456-3

SENT VIA E-MAIL: info@besixfifty.com
DELIVERED VIA COURIERbE SixFifty Hotel Inc.
650 Bay Street
Toronto ON M5G 1M8

Attention: Stefano Karayannopoulos (General Manager)

Dear Mr. Karayannopoulos:

RE: Court-Appointed Receivership of 2220277 Ontario Inc. (the "Landlord")

We are counsel to A. Farber & Partners Inc. ("**Farber**") in its capacity as court appointed receiver (the "**Receiver**") of the Landlord. Attached hereto is a copy of the Order of the Ontario Superior Court of Justice, dated August 1, 2017, appointing Farber as Receiver.

We refer to the lease between the Landlord and bE SixFifty Hotel Inc. (the "**Tenant**"), dated July 27, 2016 (the "**Lease**"). A copy of the Lease is attached hereto for your reference.

Please provide to us, without delay, the following documentation:

- (a) an accounting of all rent and other payments paid by the Tenant to the Landlord since the commencement of the term of the Lease;
- (b) copies of all permits and operating licenses, including liquor licenses, held by the Tenant;
- (c) certificates of all insurance policies in respect of the Leased Premises (as defined in the Lease);
and
- (d) emergency contact details for the Tenant for the Receiver's files.

All future correspondence addressed to the Landlord and rent payments and other amounts due under the Lease should be directed to the Receiver at:

A. Farber & Partners Inc.
150 York Street, Suite 1600
Toronto, ON M5H 3S5
Attention: John Hendriks
Tel: (416) 496-3701
Email: jhendriks@farberfinancial.com

Yours truly,
Dentons Canada LLP



Sara-Ann Van Allen

SVA/ac

Enclosures

c.c. Stuart Mitchell, A. Farber & Partners Inc.
John Hendriks, A. Farber & Partners Inc.

APPENDIX “B”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

2220277 Ontario Inc.

Rental Revenue Reconciliation - 2017

Rental Income Earned

<u>Date</u>	<u>bE SixFifty Hotel Inc.</u>	<u>Food Society</u>
1/1/2017	\$ [REDACTED]	n/a
2/1/2017	\$ [REDACTED]	n/a
3/1/2017	\$ [REDACTED]	n/a
4/1/2017	\$ [REDACTED]	\$ -
5/1/2017	\$ [REDACTED]	\$ -
6/1/2017	\$ [REDACTED]	\$ -
7/1/2017	\$ [REDACTED]	\$ -
8/1/2017	\$ [REDACTED]	\$ -
Total	\$ [REDACTED]	\$ -

Payments Made on Behalf

<u>Date</u>	<u>of 2220277 Ontario Inc.</u>	<u>Vendor</u>
2/6/2017	\$ 1,829.45	Director of Employment Standards
2/6/2017	\$ 2,934.61	Prime Flooring Inc.
2/8/2017	\$ 135.60	Electrical Design Solutions
2/22/2017	\$ 20,000.00	Zaherali Visram
2/27/2017	\$ 1,638.51	Toronto Hydro - 30008709
2/27/2017	\$ 1,237.05	Toronto Hydro - 10768136
2/28/2017	\$ 1,785.40	Plutone Construction Ltd.
3/10/2017	\$ 307.61	Enbridge Gas
3/10/2017	\$ 671.79	Galaxy Fire Protection
3/16/2017	\$ 5,000.00	Alfred Schorr
3/16/2017	\$ 1,500.00	Murphy & Company
3/31/2017	\$ 50,000.00	Zaherali Visram
3/31/2017	\$ 4,500.00	Affleck Greene McMurtry LLP
4/4/2017	\$ 5,000.00	Keyser, Mason, Ball LLP
4/7/2017	\$ 263.58	New Canadian Lumber
4/13/2017	\$ 1,500.00	Murphy & Company
4/21/2017	\$ 630.32	Enbridge Gas
4/21/2017	\$ 2,845.63	Toronto Hydro - 30008708
4/21/2017	\$ 577.71	Toronto Hydro - 10768135
4/30/2017	\$ 4,500.00	Affleck Greene McMurtry LLP
5/5/2017	\$ 5,000.00	Alfred Schorr
5/10/2017	\$ 254.25	Prime Mechanical
5/10/2017	\$ 1,100.00	Steven Valerio (HVAC)
5/14/2017	\$ 723.20	Roto Rooter
5/17/2017	\$ 5,000.00	Keyser, Mason, Ball LLP
5/19/2017	\$ 50,000.00	Alfred Schorr

5/19/2017	\$	186.45	Galaxy Fire Protection
5/31/2017	\$	5,000.00	Alfred Schorr
6/1/2017	\$	1,300.00	Steven Valerio (HVAC)
6/1/2017	\$	106.68	Roto Rooter
6/1/2017	\$	1,618.05	Toronto Hydro - 30008707
6/1/2017	\$	316.77	Toronto Hydro - 10768134
6/15/2017	\$	704.34	Enbridge Gas
6/27/2017	\$	5,000.00	Keyser, Mason, Ball LLP
7/24/2017	\$	<u>116.89</u>	Enbridge Gas
Total	\$	183,283.89	
Difference	\$	[REDACTED]	

APPENDIX “C”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

August 25, 2017

File No.: 559456-3

DELIVERED VIA COURIER**SENT VIA E-MAIL:** info@besixfifty.com and stefanos@besixfifty.combE SixFifty Hotel Inc.
650 Bay Street
Toronto ON M5G 1M8

Attention: Stefano Karayannopoulos (General Manager)

Dear Mr. Karayannopoulos:

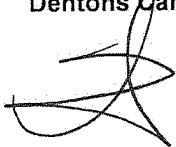
RE: Court-Appointed Receivership of 2220277 Ontario Inc. (the "Landlord")

We refer to our correspondence dated August 10, 2017, a copy of which is attached hereto (with appendices) for your reference. We have not received a response.

Please provide to the Receiver, without delay:

- (a) the documents and information requested in our August 10, 2017 letter;
- (b) pursuant to Section 6.06 of the Lease, dated July 26, 2016, proof of insurance showing each of the Landlord and A. Farber & Partners Inc., in its capacity as Receiver of 2220277 Ontario Inc., as loss payees;
- (c) a post-dated cheque made payable to "A. Farber & Partners Inc., Court-appointed Receiver of 2220277 Ontario Inc." for September's rent in the total amount of \$ [REDACTED]; and
- (d) payment of the overdue rent for the period of August 2-31, 2017 in the amount of \$ [REDACTED]

Yours truly,
Dentons Canada LLP



Sara-Ann Van Allen

SVA/ac

Enclosure

c.c. John Hendriks, A. Farber & Partners Inc.

APPENDIX “D”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

September 7, 2017

File No.: 559456-3

DELIVERED VIA COURIER**SENT VIA E-MAIL:** info@besixfifty.com and stefanos@besixfifty.combE SixFifty Hotel Inc.
650 Bay Street
Toronto ON M5G 1M8

Attention: Stefano Karayannopoulos (General Manager)

Dear Mr. Karayannopoulos:

RE: Court-Appointed Receivership of 2220277 Ontario Inc.

We write further to our letter dated August 25, 2017.

The Receiver is in receipt of your payment for September's rent.

The Receiver has not received payment of the overdue rent for the period of August 2-31, 2017. The total amount immediately due and payable is \$ [REDACTED]. Please provide payment of August's rent to the Receiver without delay.

As per s. 4.01 of the Lease, please also provide to the Receiver post-dated cheques for October, November and December's rent.

Yours truly,
Dentons Canada LLP

Sara-Ann Van Allen

SVA/ac

c.c. John Hendriks, A. Farber & Partners Inc.
Stuart Mitchell, A. Farber & Partners Inc.

APPENDIX “E”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

September 14, 2017

File No.: 559456-3

DELIVERED VIA COURIER**SENT VIA E-MAIL:** info@besixfifty.com and stefanos@besixfifty.combE SixFifty Hotel Inc.
650 Bay Street
Toronto ON M5G 1M8

Attention: Stefano Karayannopoulos (General Manager)

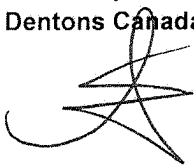
Dear Mr. Karayannopoulos:

RE: Court-Appointed Receivership of 2220277 Ontario Inc.

We write further to our letters dated August 25, 2017 and September 7, 2017. The Receiver has not received payment of the overdue rent for the period of August 2-31, 2017, as requested in our previous letters.

On behalf of the Receiver, we hereby demand payment of \$ [REDACTED] in respect of the outstanding rent for August 2-31, 2017. Such payment is to be made to the Receiver at its office on or before 5:00 p.m., September 19, 2017. Pursuant to Section 14.01 of the Lease, dated July 27, 2017, failure to pay August's overdue rent entitles the Receiver to, at its election, terminate the Lease.

Please also provide to the Receiver on or before September 19, 2017, post-dated cheques for October, November and December's rent.

Yours truly,
Dentons Canada LLP

Sara-Ann Van Allen

SVA/ac

c.c. John Hendriks, A. Farber & Partners Inc.
Stuart Mitchell, A. Farber & Partners Inc.

APPENDIX “F”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER



bE SixFifty Hotel | 650 Bay Street | Toronto, ON M5G 1M8, Canada | (416) 971-6500 | www.besixfifty.com

18 September 2017

Dentons Canada LLP
Delivered in person
77 King Street West
Suite 400
Toronto, Ontario M5K 0A1

Attention: Sara-Ann Van Allen

Dear Ms. Van Allen

Re: Court Appointed Receivership of 2220277 Ontario Inc.

Further to your letters of August 25th, September 7th and September 14th, 2017, this is to confirm that we do NOT owe any rent to 2220277 Ontario Inc. for the month of August 2017 and in fact, we have prepaid rent in the amount of \$26,761.15.

All rent was remitted as instructed by 2220277 Ontario Inc. We have made payments for 2220277 Ontario Inc. as requested by it in excess of rent due with a present balance in our favour of \$26,761.15. As such, we should not have remitted rent for September but did so as an act of good faith and to avoid immediate litigation while you have much to do.

We will provide post-dated cheques as requested for October and November, but without prejudice and under protest.

Yours truly,


Stefanos Karayannopoulos

BE SIXFIFTY HOTEL INC
650 BAY ST
TORONTO ON M5G 1M8

BMO BANK OF MONTREAL
492 CHURCH STREET
TORONTO, ONTARIO M4Y 2C8

000091

2017-10-01

PAY

A.Farber & Partners Inc. Court Appointed Receiver of 2220277 Ontario Inc.

\$

TO THE
ORDER
OF

General Account

PER

[Redacted Signature]

[Redacted Signature]

BE SIXFIFTY HOTEL INC
650 BAY ST
TORONTO ON M5G 1M8

BMO BANK OF MONTREAL
492 CHURCH STREET
TORONTO, ONTARIO M4Y 2C8

000092

2017-11-01

PAY

A.Farber & Partners Inc. Court Appointed Receiver of 2220277 Ontario Inc.

\$

TO THE
ORDER
OF

General Account

PER

[Redacted Signature]

[Redacted Signature]

S1067

SECURITY FEATURES INCLUDED - SEE REVERSE
CONTIEN DES CARACTÉRISTIQUES DE SÉCURITÉ - VOIR À L'ENDOS

S1067

SECURITY FEATURES INCLUDED - SEE REVERSE
CONTIEN DES CARACTÉRISTIQUES DE SÉCURITÉ - VOIR À L'ENDOS

APPENDIX “G”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

October 4, 2017

DELIVERED VIA COURIER**SENT VIA E-MAIL:** info@besixfifty.com and stefanos@besixfifty.combE SixFifty Hotel Inc.
650 Bay Street
Toronto ON M5G 1M8

Attention: Stefano Karayannopoulos (General Manager)

RE: Court-Appointed Receivership of 2220277 Ontario Inc. (the "Landlord")

We write further to our previous correspondence. All capitalized terms used but not defined herein have the meanings ascribed to them in the Lease, dated July 27, 2016 (the "**Lease**").

The Receiver understands that the Tenant has not paid Rent for the period from July 27, 2016, the Commencement Date of the Lease, to August 31, 2017, inclusive. The total amount of Rent currently outstanding is \$ [REDACTED] (the "**Overdue Rent**").

Pursuant to the Lease, Rent is payable on the first day of each and every month. Failure to pay Rent when due is a default under the Lease and grounds for termination of the Lease pursuant to Section 14.01.

The Tenant alleges that the Overdue Rent is offset by payments made by the Tenant on behalf of the Landlord. In this respect, Mr. Karras provided to the Receiver the attached Rental Reconciliation for 2017 and has undertaken to provide a similar reconciliation for 2016. The Receiver requested from Mr. Karras supporting documentation establishing the payment of the amounts set out in the reconciliation, including evidence that the alleged payments in fact cleared. The Receiver has received limited documentation from Mr. Karras and is not satisfied that the Overdue Rent has been properly offset by payments made by the Tenant. Accordingly, the Overdue Rent is immediately due and payable.

On behalf of the Receiver we hereby demand payment of the Overdue Rent on or before October 16, 2017. In the event the Tenant fails to pay the Overdue Rent, the Receiver reserves its right to terminate the Lease and pursue all remedies to recover payment.

Yours truly,
Dentons Canada LLP
Sara-Ann Van Allen

SVA/ac

Enclosure

c.c. John Hendriks, A. Farber & Partners Inc.
Alfred Schorr

2220277 Ontario Inc.

Rental Revenue Reconciliation - 2017

Rental Income Earned

<u>Date</u>	<u>bE SixFifty Hotel Inc.</u>	<u>Food Society</u>
1/1/2017 \$	██████████	n/a
2/1/2017 \$	██████████	n/a
3/1/2017 \$	██████████	n/a
4/1/2017 \$	██████████ \$	-
5/1/2017 \$	██████████ \$	-
6/1/2017 \$	██████████ \$	-
7/1/2017 \$	██████████ \$	-
8/1/2017 \$	██████████ \$	-
Total	\$ ██████████ \$	-

Payments Made on Behalf

<u>Date</u>	<u>of 2220277 Ontario Inc.</u>	<u>Vendor</u>
2/6/2017 \$	1,829.45	Director of Employment Standards
2/6/2017 \$	2,934.61	Prime Flooring Inc.
2/8/2017 \$	135.60	Electrical Design Solutions
2/22/2017 \$	20,000.00	Zaherali Visram
2/27/2017 \$	1,638.51	Toronto Hydro - 30008709
2/27/2017 \$	1,237.05	Toronto Hydro - 10768136
2/28/2017 \$	1,785.40	Plutone Construction Ltd.
3/10/2017 \$	307.61	Enbridge Gas
3/10/2017 \$	671.79	Galaxy Fire Protection
3/16/2017 \$	5,000.00	Alfred Schorr
3/16/2017 \$	1,500.00	Murphy & Company
3/31/2017 \$	50,000.00	Zaherali Visram
3/31/2017 \$	4,500.00	Affleck Greene McMurtry LLP
4/4/2017 \$	5,000.00	Keyser, Mason, Ball LLP
4/7/2017 \$	263.58	New Canadian Lumber
4/13/2017 \$	1,500.00	Murphy & Company
4/21/2017 \$	630.32	Enbridge Gas
4/21/2017 \$	2,845.63	Toronto Hydro - 30008708
4/21/2017 \$	577.71	Toronto Hydro - 10768135
4/30/2017 \$	4,500.00	Affleck Greene McMurtry LLP
5/5/2017 \$	5,000.00	Alfred Schorr
5/10/2017 \$	254.25	Prime Mechanical
5/10/2017 \$	1,100.00	Steven Valerio (HVAC)
5/14/2017 \$	723.20	Roto Rooter
5/17/2017 \$	5,000.00	Keyser, Mason, Ball LLP
5/19/2017 \$	50,000.00	Alfred Schorr

5/19/2017	\$	186.45	Galaxy Fire Protection
5/31/2017	\$	5,000.00	Alfred Schorr
6/1/2017	\$	1,300.00	Steven Valerio (HVAC)
6/1/2017	\$	106.68	Roto Rooter
6/1/2017	\$	1,618.05	Toronto Hydro - 30008707
6/1/2017	\$	316.77	Toronto Hydro - 10768134
6/15/2017	\$	704.34	Enbridge Gas
6/27/2017	\$	5,000.00	Keyser, Mason, Ball LLP
7/24/2017	\$	116.89	Enbridge Gas
Total	\$	183,283.89	
Difference	\$		

APPENDIX “H”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

bE SixFifty Hotel Inc.

650 Bay Street

Toronto, Ontario M5G 1M8

Tel. 416.971.6500

besixfifty.com

October 16, 2017

Dentons Canada LLP
77 King Street West, Suite 400
Toronto, ON M5K 0A1

Attention: Sara-Ann Van Allen

Re: Court Appointed Receivership of 2220277 Ontario Inc. (the "Landlord")

Further to your letter dated October 4th, 2017, please be advised that the Receiver's statements are incorrect.

We do not owe the Landlord any rent and in fact, the Landlord owes us rent, as a result of over-payments made by us. Mr. Karras of 2220277 Ontario Inc. whom we were dealing with has confirmed the same to you and to us.

We had a rent-free period upon signing our lease until such time that the Landlord was able to provide us with occupancy of the leased premises. You may refer to the lease and the amendments signed. From January 2017 onward, payments were made by us, as directed by the Landlord.

We are attaching proof of payments made on behalf of the Landlord, as was directed by the Landlord.

We would appreciate it if you would stop making un-supported statements and demands, as we have made a substantial investment into our business, which the Receiver is now attempting to disrupt, although we have continued to pay rent to the Receiver in good faith but under protest until this matter is resolved.

We are prepared to seek all remedies available to us, should the Receiver elect to pursue this matter further.

Yours truly,

A handwritten signature in black ink, appearing to be 'SK', written over a horizontal line.

Stefanos Karayannopoulos

c.c. Alfred Schorr

c.c. Evan Karras

2220277 Ontario Inc.

Rental Revenue Reconciliation - 2017

<u>Date</u>	<u>Payments Made on Behalf of 2220277 Ontario Inc.</u>	<u>Vendor</u>	<u>Proof of Payment</u>
2017-01-06	\$ 1,000.00	Tu Anh Luong	yes
2017-01-06	\$ 1,000.00	Murphy & Company	yes
2017-01-30	\$ 4,349.57	Toronto Hydro - 30008707	yes
2017-02-06	\$ 1,829.45	Director of Employment Standards	yes
2017-02-06	\$ 2,934.61	Prime Flooring Inc.	yes
2017-02-10	\$ 1,000.00	Tu Anh Luong	yes
2017-02-22	\$ 20,000.00	Zaherali Visram	
2017-02-24	\$ 1,000.00	Tu Anh Luong	yes
2017-02-27	\$ 1,638.51	Toronto Hydro - 30008707	yes
2017-02-27	\$ 1,237.05	Toronto Hydro - 10768136	
2017-02-28	\$ 1,785.40	Plutone Construction Ltd.	yes
2017-02-28	\$ 5,000.00	Alfred Schorr	yes
2017-03-10	\$ 307.61	Enbridge Gas	
2017-03-10	\$ 671.79	Galaxy Fire Protection	yes
2017-03-10	\$ 1,000.00	Tu Anh Luong	yes
2017-03-16	\$ 5,000.00	Alfred Schorr	yes
2017-03-16	\$ 1,500.00	Murphy & Company	yes
2017-03-24	\$ 1,000.00	Tu Anh Luong	yes
2017-03-31	\$ 50,000.00	Zaherali Visram	yes
2017-03-31	\$ 4,500.00	Affleck Greene McMurtry LLP	yes
2017-04-04	\$ 5,000.00	Keyser, Mason, Ball LLP	
2017-04-13	\$ 1,500.00	Murphy & Company	yes
2017-04-21	\$ 630.32	Enbridge Gas	yes
2017-04-21	\$ 2,845.63	Toronto Hydro - 30008707	yes
2017-04-21	\$ 577.71	Toronto Hydro - 10768135	yes
2017-04-21	\$ 1,000.00	Tu Anh Luong	yes
2017-04-30	\$ 4,500.00	Affleck Greene McMurtry LLP	yes
2017-05-05	\$ 5,000.00	Alfred Schorr	yes
2017-05-05	\$ 1,000.00	Tu Anh Luong	yes
2017-05-10	\$ 1,100.00	Steven Valerio (HVAC)	yes
2017-05-14	\$ 723.20	Roto Rooter	yes
2017-05-15	\$ 2,185.42	Roto Rooter	
2017-05-17	\$ 758.07	Wolseley Canada	yes
2017-05-17	\$ 5,000.00	Keyser, Mason, Ball LLP	yes
2017-05-19	\$ 5,000.00	Alfred Schorr	yes
2017-05-19	\$ 186.45	Galaxy Fire Protection	yes
2017-05-19	\$ 1,000.00	Tu Anh Luong	yes
2017-05-31	\$ 5,000.00	Alfred Schorr	yes
2017-06-01	\$ 1,300.00	Steven Valerio (HVAC)	yes

<u>Date</u>	<u>Payments Made on Behalf of 2220277 Ontario Inc.</u>	<u>Vendor</u>	<u>Proof of Payment</u>
2017-06-01	\$ 106.68	Roto Rooter	yes
2017-06-01	\$ 1,618.05	Toronto Hydro - 30008707	yes
2017-06-01	\$ 316.77	Toronto Hydro - 10768134	
2017-06-15	\$ 704.34	Enbridge Gas	
2017-06-27	\$ 5,000.00	Keyser, Mason, Ball LLP	yes
2017-06-28	\$ 5,000.00	Alfred Schorr	yes
2017-07-07	\$ 5,000.00	Alfred Schorr	yes
2017-07-20	\$ 1,500.00	Keyser, Mason, Ball LLP	yes
2017-07-24	\$ 116.89	Enbridge Gas	
2017-07-27	\$ 5,000.00	Alfred Schorr	yes
2017-07-27	\$ 486.52	Toronto Hydro	yes
Total	\$ 169,073.95		

TOR HYD ELEC H6J6Z3
TOR HYD ELEC H6J7H7
ENBRIDGE H6J7U3

2,845.63
577.71
630.32

APR 21
APR 21
APR 21

ISN: 4414600764
Cheque #37

1,500.00

000037
2017-07-20
Keyser Hazon Bell LLP
One Thousand Five Hundred and 00/100
Marathon Clearing

TO THE ORDER OF

PAY \$ 1,500.00

PER

Virtual Endorsement
DSPAC: 1132810
DSPTR: 93132-003
CSID: 7172016214006306742
SCANID: 41241544
ITM: SEC: 2
CHAND: 003
APPCD: S900
DSPTR: 93132-003
DSPTR: 20/07/17
OPID: 551303576

Printer ID# 1021
ID d'Impression 1021

Document: Signature of State
Endorsement: Signature of State

03182
1132810

BACKWERSO

ISN: 4413813108
Cheque #20

5,000.00

000020
2017-07-07
2017-07-07
\$ 5,000.00
PAY
Allied Schott in Trust
Five Thousand and 00/100
TO THE ORDER OF
PLA

Virtual Endorsement
DSPAC: 1007930
DSPTR: 05702-003
CS-07: 217191468510400168
SCANISS: 40,098,025,45-003
ITMSNO: 2
CHAND: 003
APACD: SAG0
DISPCH: C40
TEF07: 10/07/17 TORONTO, ONTARIO
OPID: 52237958

6700
1007830
BACKVERSO

Printri IDV 1021
ID d'empreinte 1021

Jul 27 Online Bill Payment, TOR HYD ELECT 486.52 9,236.86

1992-0736240

CHEQUE # 00232

\$2,934.61

000232
2017-02-08
2,934.61

PAY TO THE ORDER OF
Primo Flooting Inc.
Two Thousand Nine Hundred Thirty-Four and 61/100

INVOICE 1072

PRIME FLOOTING INC.

CHEQUE # 00232

18822-004-5233735
2/9/2017 10:36:03 AM
Mobile Deposit 2619
25-43132745

PRIMO FLOOTING INC.
100 WILSON ST.
C.N. 18621-5233735

BACKWERSO

Primo Flooting Inc.
100 Wilson St.
C.N. 18621-5233735

Primo Flooting Inc.
100 Wilson St.
C.N. 18621-5233735

1992-0736240

CHEQUE # 00240

\$1,000.00

000240
2017-02-10
**1,000.00

TO THE ORDER OF

PAY TO Arh Liang

One Thousand and 00/100

January 30 to February 10, 2017

RECEIVED

18

CHEQUE # 00240

Virtual Endorsement
D9PACC
DSID: 170424649109305442
TXID: 24,667,744
SCANSER: 24,667,744
INUSER: 003
APPLIC: 003
TRANSF: 05442
DISPUR: 11/03/17
TFFDI: 536134828
OMD: 536134828

05442 2 15109872

BACKOVERSO

18

1992-0736240

CHEQUE # 00237

\$50,000.00

000237
2017-02-08
**50,000.00

TO THE ORDER OF

PAY To Zahawi Veram

Fifty Thousand and 00/100

RECEIVED

18

CHEQUE # 00237

Virtual Endorsement
D9PACC
DSID: 170424649109305442
TXID: 24,667,744
SCANSER: 24,667,744
INUSER: 003
APPLIC: 003
TRANSF: 05442
DISPUR: 11/03/17
TFFDI: 536134828
OMD: 536134828

05442 2 15109872

BACKOVERSO

18

1992-0736240

CHEQUE # 00259

\$1,000.00

000259
2017-03-24
**1,000.00

Tu Anh Luong
One Thousand and 00/100

MAR 13 2017
MART OBTAINING LIMITED

TO THE ORDER OF

100001000000

CHEQUE # 00259

Prime 154 (64)
00259-0002-0001-0001

154432-0002 81089721 00259 1544 001977
1833

BACKING SERVICE
1544 001977

000259

1992-0736240

CHEQUE # 00273

\$1,000.00

000273
2017-04-21
\$ 1,000.00

TO THE ORDER OF
Tu Ash Lueng
One Thousand and 00/100

APR 10 10 APR 21, 2017

RES [Signature]

⑈00001000000⑈

CHEQUE # 00273

RES: Mrs. Sutas-Bojju
17844 1478 00725
8532-873 5308972 130428 5688 8978
1121

BACK TO THE ISSUING BANK

PROBET DA 1021
10/10/2017 10:01

Toronto Hydro-Electric System Limited
YOUR ELECTRICITY BILL



Account Number
4578080368
To be used for payments

Premise number
9146327679

Bill Print Date 020117

Meter Number
30008707
2220277 ONT INC.
650 BAY ST
TORONTO ON M5G 1M8

Statement Date	Jan 31 2017
Amount Due	\$1,638.51
Due Date	Feb 20 2017
Amount Paid	
416,542.8000	www.torontohydro.com

Interest will be charged on any amount not received by the due date at the rate of 1.5% compounded monthly (19.56 % per annum) from the due date until receipt of such amount and all accrued interest

Service Location: 650 BAY ST, TORONTO

Page 1 / 1

Other Charges/Credits

Collection of Acct. Charge-No Disconnection	55.00
Late Payment Charge	41.32

Total for Other Charges/Credits 96.32

H.S.T. (H.S.T. Registration 896718327RT0001) 7.15

Your Previous Charges

Amount of last bill	5,884.61
Payment Received Jan 30 2017 - Thank You	4,349.57 CR

Balance Forward 1,535.04

Total Amount Due by Feb 20 2017 \$1,638.51

Seeing double? You are not being charged twice. If your bill reflects electricity consumed before and after January 1st, you will see double line items in the 'electricity charges' section of your bill. Learn more at torontohydro.com/rates

Please detach and return this section with your payment made payable to Toronto Hydro-Electric Systems Ltd.

Account Number
4578080368
To be used for payments

Premise number
9146327679

Interest will be charged on any amount not received by the due date at the rate of 1.5% compounded monthly (19.56 % per annum) from the due date until receipt of such amount and all accrued interest

Amount Due: \$1,638.51

Due Date: Feb 20 2017

Amount Paid:

2220277 ONT INC.
650 BAY ST
TORONTO ON M5G 1M8

Please return this portion
With your payment

42333 4578080368 17051 000163851 000 163851

Electricity

Electricity distributed by TORONTO HYDRO

775.000 kWh at \$0.091 per kWh 70.53
 4,508.896 kWh at \$0.106 per kWh 477.94

Delivery 271.85

Regulatory 31.51

Debt Retirement Charge 36.99

Your Total Electricity Charges **888.82**

Other Charges/Credits

Late Payment Charge 15.39

Total for Other Charges/Credits **15.39**

H.S.T. (H.S.T. Registration 896718327RT0001) **115.55**

8% Provincial Rebate **71.10 CR**

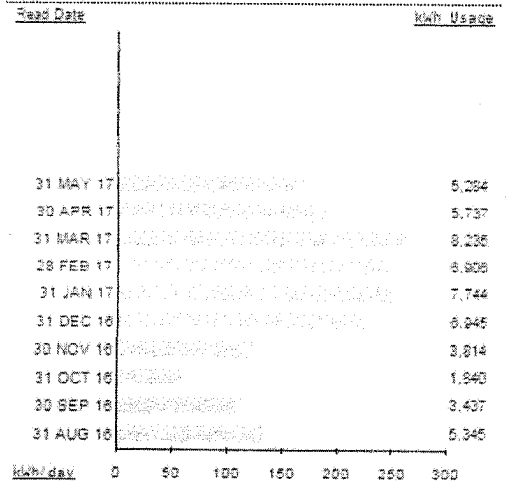
Your Previous Charges

Amount of last bill 2,841.57

Payment Received Jun 01 2017 - Thank You 1,618.05 CR

Balance Forward **1,223.52**

Total Amount Due by Jul 26 2017 **\$2,172.18**



Storm season is here. To keep safe, learn what to include in an emergency kit and also see how Toronto Hydro prioritizes restoration during widespread outages. Visit torontohydro.com/poweroutage

Your electricity usage

Meter Number	Meter Reading Period	Number of Days	Unit Self-Contained	kWh Used	Loss Factor Adjustment	Adjusted kWh Used
30008707	APR 30 2017 TO MAY 31 2017	31	1	5283.895	1.0376	5482.570

Peak kW 7-7	Adj. Peak kW 7-7	Demand kW	Demand kVA	Metering Adj.	Adj. kW	Adj. kVA
12.153	12.558	13.203	13.289	1	13.643	13.732

Ontario's Fair Hydro Plan substantially lowers electricity bills for typical residential consumers. This includes the eight per cent rebate introduced in January 2017, and builds on previous initiatives to deliver broad-based relief on all electricity bills.

Please detach and return this section with your payment made payable to Toronto Hydro-Electric Systems Ltd.

Account Number
4578080368
 To be used for payments

Premise number
 9146327679

Interest will be charged on any amount not received by the due date at the rate of 1.5% compounded monthly (19.56% per annum) from the due date until receipt of such amount and all accrued interest

Amount Due: \$2,172.18

Due Date: Jul 26 2017

Amount Paid:

2220277 ONT INC.
 650 BAY ST
 TORONTO ON M5G 1M8

Please return this portion
 With your payment

42333 4578080368 17207 000217218 000 217218

Electricity

****Electricity supplied by Toronto Hydro through Standard Supply Service,
Billing Inquiries: (416) 542-8000

750.000 kWh at \$0.103 per kWh 77.25
4,986.642 kWh at \$0.121 per kWh 603.38

Delivery 299.57

Regulatory 40.73

Debt Retirement Charge 40.16

Your Total Electricity Charges 1,061.09

Other Charges/Credits

Late Payment Charge 35.90

Total for Other Charges/Credits 35.90

H.S.T. (H.S.T. Registration 896718327RT0001) 137.94

8% Provincial Rebate 84.89 CR

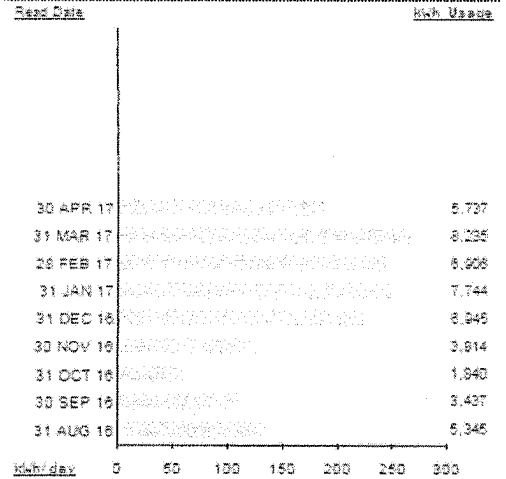
Your Previous Charges

Amount of last bill 4,463.68

Payment Received Apr 21 2017 - Thank You 2,845.63 CR

Balance Forward 1,618.05

Total Amount Due by Jun 06 2017 \$2,768.09



Seeing double? You aren't being charged twice. Bills reflecting electricity consumed before and after May 1st will have double line items. Learn more at torontohydro.com/rates

Your electricity usage

Meter Number	Meter Reading Period	Number of Days	Unit Self-Contained	kWh Used	Loss Factor Adjustment	Adjusted kWh Used
30008707	MAR 31 2017 TO APR 30 2017	30	1	5736.642	1.0376	5952.340

Peak kW 7-7	Adj. Peak kW 7-7	Demand kW	Demand kVA	Metering Adj.	Adj. kW	Adj. kVA
14.176	14.176	14.957	15.019	1	14.957	15.019

The Ontario government is providing a rebate on your electricity costs equal to the provincial portion of HST.

Please detach and return this section with your payment made payable to Toronto Hydro-Electric Systems Ltd.

Account Number
4578080368
To be used for payments

Premise number
9146327679

Interest will be charged on any amount not received by the due date at the rate of 1.5% compounded monthly (19.56% per annum) from the due date until receipt of such amount and all accrued interest

Amount Due: \$2,768.09

Due Date: Jun 06 2017

Amount Paid:

2220277 ONT INC.
650 BAY ST
TORONTO ON M5G 1M8

Please return this portion
With your payment

42333 4578080368 17157 000276809 000 276809

Electricity

****Electricity supplied by Toronto Hydro through Standard Supply Service,
Billing Inquiries: (416) 542-8000

700.000 kWh at \$0.103 per kWh 72.10
6,206.236 kWh at \$0.121 per kWh 750.95

Delivery 349.39

Regulatory 48.96

Debt Retirement Charge 48.34

Your Total Electricity Charges 1,269.74

Other Charges/Credits

Late Payment Charge 17.76

Total for Other Charges/Credits 17.76

H.S.T. (H.S.T. Registration 896718327RT0001) 165.07

8% Provincial Rebate 101.58 CR

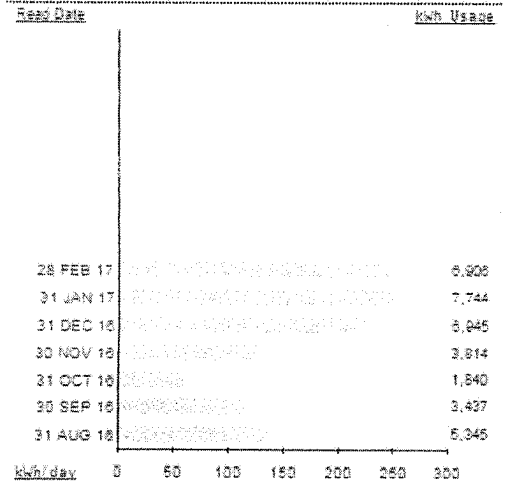
Your Previous Charges

Amount of last bill 3,133.15

Payment Received Feb 27 2017 - Thank You 1,638.51 CR

Balance Forward 1,494.64

Total Amount Due by Mar 23 2017 \$2,845.63



Start saving with our conservation programs and incentives. For more information, visit torontohydro.com/conservation

Your electricity usage

Meter Number	Meter Reading Period	Number of Days	Unit Self-Contained	kWh Used	Loss Factor Adjustment	Adjusted kWh Used
30008707	JAN 31 2017 TO FEB 28 2017	28	1	6906.235	1.0376	7165.910

Peak kW 7-7	Adj. Peak kW 7-7	Demand kW	Demand kVA	Metering Adj.	Adj. kW	Adj. kVA
17.636	16.461	17.636	17.714	1	16.461	16.533

The Ontario government is providing a rebate on your electricity costs equal to the provincial portion of HST.

Please detach and return this section with your payment made payable to Toronto Hydro-Electric Systems Ltd.

Account Number
4578080368
To be used for payments

Premise number
9146327679

Interest will be charged on any amount not received by the due date at the rate of 1.5% compounded monthly (19.56% per annum) from the due date until receipt of such amount and all accrued interest

Amount Due: \$2,845.63

Due Date: Mar 23 2017

Amount Paid:

2220277 ONT INC.
650 BAY ST
TORONTO ON M5G 1M8

Please return this portion
With your payment

42333 4578080368 17082 000284563 000 284563

Serial #: 36

Amount: \$5,000.00

000036
2017-03-18
\$ 5,000.00

Alfred Dickert In Trust
Five Thousand and 00/100

PAY TO THE ORDER OF

Signature: [Redacted]

000036

Virtual Endorsement
DSPACC: 10071830
CNO: 09775-03
TXID: 17075512166600328
SCANSIS: 28,154,054
FIMSGO: 003
GRAND: 003
TRANSIT: 00128
DSPCLG: CAG
TELE: 20193713
CHIEF: 78812171

Alfred Dickert
10071830
09775-03
17075512166600328

Printer ID: 1021
ID: 075mp-1021

BACKOVERSO

Serial #: 37

Amount: \$4,500.00

000037
2017-03-18
\$ 4,500.00

Alfred Dickert In Trust
Four Thousand and 500/100

PAY TO THE ORDER OF

Signature: [Redacted]

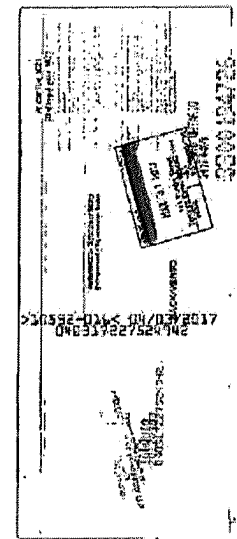
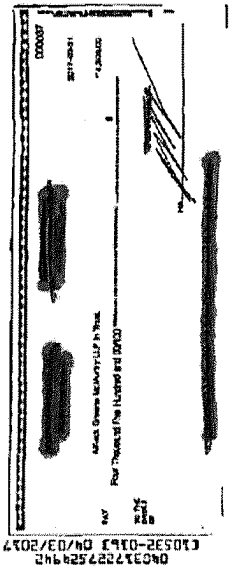
000037

Virtual Endorsement
DSPACC: 10071830
CNO: 09775-03
TXID: 17075512166600328
SCANSIS: 28,154,054
FIMSGO: 003
GRAND: 003
TRANSIT: 00128
DSPCLG: CAG
TELE: 20193713
CHIEF: 78812171

Alfred Dickert
10071830
09775-03
17075512166600328

Printer ID: 1021
ID: 075mp-1021

BACKOVERSO



10532-016 04/03/2017
040317227524942
10410-016 04/03/2017
001001025765
10410-016 04/03/2017
1364147420

Serial #: 98

010
01/06/2017
738041576

Amount: \$1,300.00

010 01/06/2017 738041576

BY ONE THOUSAND THREE HUNDRED ONLY \$ 1,300

MR STEVEN VALDEZ
LEBBY N/C

00008
JUN 1 2013

010 01/06/2017 738041576

BY ONE THOUSAND THREE HUNDRED ONLY \$ 1,300

MR STEVEN VALDEZ
LEBBY N/C

00008
JUN 1 2013

010 01/06/2017 738041576

#00008844103372=0030 1021377# /0000130000#

Serial #: 80 Amount: \$723.20

000080
MAY 14 2017

MY SEVEN HUNDRED TWENTY THREE
TO THE ORDER OF
385291

PAID BY [Redacted]

AMOUNT \$723.20

BACKWERSO

Virtual Endorsement
DSPACC: 1007430
CSID: 8171455800213008302
TRAN: 1
CLASS: 34, 894, 555
CHARTER: 003
APPLIC: 5000
DSPAC: 13705/17
CITY: 13705/17
CITY: 13705/17
CITY: 13705/17

Physical ID# 1021
ID Description 1021

BACKWERSO

Serial #: 81 Amount: \$5,000.00

000081
MAY 19 2017

MY Keyser Mason Ball, LLP
TO THE ORDER OF
Five thousand only

PAID BY [Redacted]

AMOUNT \$5,000.00

BACKWERSO

Virtual Endorsement
DSPACC: 1007430
CSID: 8171455800213008302
TRAN: 1
CLASS: 34, 894, 555
CHARTER: 003
APPLIC: 5000
DSPAC: 13705/17
CITY: 13705/17
CITY: 13705/17
CITY: 13705/17

Physical ID# 1021
ID Description 1021

BACKWERSO

Serial #: 82 Amount: \$1,100.00

000082
2017-05-10

MY STEVEN VALERIO
TO THE ORDER OF
Eleven hundred only
Service Elm + Bay

PAID BY [Redacted]

AMOUNT \$1,100.00

BACKWERSO

Virtual Endorsement
DSPACC: 1007430
CSID: 8171455800213008302
TRAN: 1
CLASS: 34, 894, 555
CHARTER: 003
APPLIC: 5000
DSPAC: 13705/17
CITY: 13705/17
CITY: 13705/17
CITY: 13705/17

Physical ID# 1021
ID Description 1021

BACKWERSO

Serial #: 83 Amount: \$5,000.00

000083
MAY 19 2017

MY ALFRED SCHORE IN TRUST
TO THE ORDER OF
Five thousand only

PAID BY [Redacted]

AMOUNT \$5,000.00

BACKWERSO

Virtual Endorsement
DSPACC: 1007430
CSID: 8171455800213008302
TRAN: 1
CLASS: 34, 894, 555
CHARTER: 003
APPLIC: 5000
DSPAC: 13705/17
CITY: 13705/17
CITY: 13705/17
CITY: 13705/17

Physical ID# 1021
ID Description 1021

BACKWERSO

Serial #: 96

Amount: \$5,000.00

000096
 2017-05-31
 **5,000.00

Alfred Becker in Trust
 Five Thousand and 00/100

PAY TO THE ORDER OF

REL

Virtual Engineering
 DISPATCH: 06302-003
 SITE: 517555856024506302
 TXND: 1
 SCANSER: 36264349
 CHANID: 00R
 APFCD: 3500
 DISCUR: CAS
 TEFDT: 07/06/17
 OPID: 324928225

06702 - 1007830
 PROCESSION: Station & Extra
 PROCESSION: Station & Extra

Printer ID# 1021
 ID d'Emploieur 1021

BACKOVERSO

Serial #: 97

Amount: \$106.68

000097
 2017-05-31
 **106.68

ONE HUNDRED AND SIX
 CENTS

PAY TO THE ORDER OF

ROTO ROOTER
 #385882

REL

Virtual Engineering
 DISPATCH: 06302-003
 SITE: 517555856024506302
 TXND: 1
 SCANSER: 36264349
 CHANID: 00R
 APFCD: 3500
 DISCUR: CAS
 TEFDT: 07/06/17
 OPID: 324928225

06702 - 1007830
 PROCESSION: Station & Extra
 PROCESSION: Station & Extra

Printer ID# 1021
 ID d'Emploieur 1021

BACKOVERSO

APPENDIX “I”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

October 18, 2017

File No.: 559456-3

SENT VIA E-MAIL: info@besixfifty.com and stefanos@besixfifty.combE SixFifty Hotel Inc.
650 Bay Street
Toronto ON M5G 1M8

Attention: Stefano Karayannopoulos (General Manager)

Dear Mr. Karayannopoulos:

RE: Court-Appointed Receivership of 2220277 Ontario Inc. (the "Landlord")

We are in receipt of your correspondence, dated October 16, 2017.

The Receiver has reviewed the Rental Revenue Reconciliation, invoices and cheques attached to your October 16, 2017 letter. We make the following observations:

- (1) The payor's name and account details have been redacted from the cheques provided. As such, it is not evident that the payments were made by bE SixFifty Inc. ("**bE SixFifty**").
- (2) The documents provided do not establish that the payments set out in the Rental Reconciliation have in fact cleared. Of particular concern are the payments to Zaherali Visram.
- (3) The Receiver has not been provided with invoices or other supporting documentation showing that each of the items listed in the Rental Revenue Reconciliation were payments made on behalf of, or for the benefit of, the Landlord.

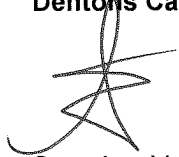
Pursuant to the Lease, dated July 27, 2016 (the "**Lease**"), the failure to pay Rent constitutes a default thereunder. On behalf of the Receiver, we hereby give you notice that bE SixFifty is in default of the Lease. Such default is grounds for termination of the Lease pursuant to Section 14.01.

Please provide to us the following documents without delay:

- (a) a copy of the lease amendment(s) referred to in your letter;
- (b) evidence that each of the payments to Visram Zaherali in fact cleared; and
- (c) invoices and other supporting documentation showing that each of the items on the Rental Revenue Reconciliation were paid on behalf of, or for the benefit of, the Landlord.

The failure to provide the above referenced documentation and establish that the Rent payable under the Lease was properly set-off may result in the termination of the Lease pursuant to its terms. The Receiver reserves all rights and remedies under the Lease.

Yours truly,
Dentons Canada LLP



Sara-Ann Van Allen

SVA/ac

c.c. Stuart Mitchell, A. Farber & Partners Inc.
John Hendriks, A. Farber & Partners Inc.

APPENDIX “J”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

August 4, 2017

File No.: 559456-3

SENT VIA E-MAIL: dvoskanova@hotmail.com2452482 Ontario Inc.
c/o Food Society
650 Bay Street
Toronto ON M5G 1M8

Attention: Diana Voskanova

Dear Ms. Voskanova:

RE: Court-Appointed Receivership of 2220277 Ontario Inc. (the "Landlord")

We are counsel to A. Farber & Partners Inc. ("**Farber**") in its capacity as court appointed receiver (the "**Receiver**") of the Landlord. Attached hereto is a copy of the Order of the Ontario Superior Court of Justice, dated August 1, 2017, appointing Farber as Receiver.

We refer to the lease between the Landlord and 2452482 Ontario Inc. (the "**Tenant**"), dated April 1, 2017 (the "**Lease**"). A copy of the Lease is attached hereto for your reference.

Please provide to us, without delay, the following documentation:

- (a) an accounting of all rent and other payments paid by the Tenant to the Landlord since the commencement of the term of the Lease;
- (b) copies of all permits and operating licenses, including liquor licenses, held by the Tenant;
- (c) certificates of all insurance policies in respect of the Leased Premises (as defined in the Lease);
and
- (d) emergency contact details for the Tenant for the Receiver's files.

All future correspondence addressed to the Landlord and rent payments and other amounts due under the Lease should be directed to the Receiver at:

A. Farber & Partners Inc.
150 York Street, Suite 1600
Toronto, ON M5H 3S5
Attention: John Hendriks
Tel: (416) 496-3701
Email: jhendriks@farberfinancial.com

Yours truly,
Dentons Canada LLP



Sara-Ann Van Allen

SVA/ac

c.c. Stuart Mitchell, A. Farber & Partners Inc.
John Hendriks, A. Farber & Partners Inc.

APPENDIX “K”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

August 25, 2017

File No.: 559456-3

SENT VIA E-MAIL: dvoskanova@hotmail.com
DELIVERED VIA COURIER2452482 Ontario Inc.
c/o Food Society
650 Bay Street
Toronto ON M5G 1M8

Attention: Diana Voskanova

Dear Ms. Voskanova:

RE: Court-Appointed Receivership of 2220277 Ontario Inc. (the "Landlord")

We refer to our correspondence dated August 4, 2017, a copy of which is attached hereto (with appendices) for your reference. We have not received a response.

Please provide to the Receiver, without delay:

- (a) the documents and information requested in our August 4, 2017 letter;
- (b) pursuant to Section 6.06 of the Lease, dated April 1, 2017, proof of insurance showing each of the Landlord and A. Farber & Partners Inc., in its capacity as Receiver of 2220277 Ontario Inc., as loss payees; and
- (c) pursuant to the Lease Amendment, dated April 3, 2017, a copy of which is attached hereto, post-dated rent cheques made payable to "A. Farber & Partners Inc., Court-appointed Receiver of 2220277 Ontario Inc." in the amount of \$ [REDACTED] commencing October 1, 2017 for the remainder of 2017.

Yours truly,
Dentons Canada LLP



Sara-Ann Van Allen

SVA/ac

Enclosures
c.c. John Hendriks, A. Farber & Partners Inc.

APPENDIX “L”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

October 5, 2017

File No.: 559456-3

SENT VIA E-MAIL: dvoskanova@hotmail.com
DELIVERED VIA COURIER2452482 Ontario Inc.
c/o Food Society
650 Bay Street
Toronto ON M5G 1M8

Attention: Diana Voskanova

Dear Ms. Voskanova:

RE: Court-Appointed Receivership of 2220277 Ontario Inc. (the "Landlord")

We refer to our correspondence dated August 4, 2017 and August 25, 2017. We have not received a response to either of our letters. All capitalized terms used but not defined herein have the meanings ascribed in the Lease, dated April 1, 2017, as amended (the "**Lease**").

Pursuant to the Lease, Rent in the amount of \$ [REDACTED] (the "**Overdue Rent**") was due on October 1, 2017. On behalf of the Receiver we hereby demand payment of the Overdue Rent no later than October 10, 2017.

Please submit payment of the Overdue Rent directly to the Receiver at the address below:

A. Farber & Partners Inc.
150 York Street, Suite 1600
Toronto, ON M5H 3S5
Attention: John Hendriks
Tel: (416) 496-3701
Email: jhendriks@farberfinancial.com

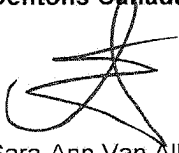
Pursuant to Section 14.01 of the Lease, failure to pay Rent when due entitles the Receiver, at its discretion, to terminate the Lease.

As requested in our previous letters, please also provide to the Receiver, without delay:

- (a) the documents and information requested therein;
- (b) proof of insurance showing each of the Landlord and A. Farber & Partners Inc., in its capacity as Receiver of 2220277 Ontario Inc., as loss payees; and

(c) post-dated rent cheques made payable to "A. Farber & Partners Inc., Court-appointed Receiver of 2220277 Ontario Inc." in the amount of \$ [REDACTED] for Rent payable on November 1, 2017, and December 1, 2017.

Yours truly,
Dentons Canada LLP



Sara-Ann Van Allen

SVA/ac

c.c. John Hendriks, A. Farber & Partners Inc.

APPENDIX “M”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

Campbell, Amanda

From: Diana Voskanova <dvoskanova@hotmail.com>
Sent: 7-Oct-17 1:56 PM
To: Campbell, Amanda
Subject: Re: Zaherali Visram v. 2220277 Ontario Inc. (CV-17-11811-00CL)
Attachments: Untitled.FR12.pdf

Dear Ms. Van Allen,

I am somewhat surprised and perplexed by your email of October 5th, 2017 where you demand payment of rent for the month of October.

I previously responded to you and provided to you a copy of the lease amendment I had signed with Mr. Karras since we still do not have our occupancy permits a result of the landlords failure to close the open building permits.

I am attaching a copy of the amendment again for you. We do not owe any rent for October and according to our amendment, we will commence payments on December 1st, 2017.

We have arranged for a building inspection again on October 13 at 2 pm. You or the receiver should attend in order to deal with the open permits and have them closed so that we may be able to conduct our business.

Please confirm receipt of my email.

Sincerely,

Diana Voskanova

From: Campbell, Amanda <amanda.campbell@dentons.com>
Sent: October 5, 2017 11:53 AM
To: smitchell@farberfinancial.com; jhendriks@farberfinancial.com; harvey@chaitons.com; samr@chaitons.com; Kevin.Ohara@ontario.ca; alfred@schorrlaw.ca; p hm@meretsky.com; lferreira@fijlaw.com; ek@alliancevp.com; ekarras@rogers.com; diane.winters@justice.gc.ca; nel.garcia@hotmail.com; maryjo@goldcardleasing.com; dvoskanova@hotmail.com; iaversa@airdberlis.com; sgraff@airdberlis.com
Cc: Van Allen, Sara-Ann; Kraft, Kenneth
Subject: Zaherali Visram v. 2220277 Ontario Inc. (CV-17-11811-00CL)

Service List:

Please find attached the Notice of Motion of the Receiver, dated October 5, 2017, which is hereby served upon you in accordance with the *Rules of Civil Procedure* and E-Service Protocol. The Receiver's motion will be scheduled by the Court at a 9:30 a.m. chambers appearance on October 16, 2017.

Kind regards,
Amanda



Amanda Campbell

Legal Assistant to Robert Kennedy, Sara-Ann Van Allen and Vanja Ginic

D +1 416 863 4468

amanda.campbell@dentons.com

Website

Dentons Canada LLP

77 King Street West, Suite 400, Toronto-Dominion Centre Toronto, ON M5K 0A1 Canada

大成 Salans FMC SNR Denton McKenna Long

Dentons is a global legal practice providing client services worldwide through its member firms and affiliates. This email may be confidential and protected by legal privilege. If you are not the intended recipient, disclosure, copying, distribution and use are prohibited; please notify us immediately and delete this email from your systems. To update your commercial electronic message preferences email dentonsinsightsca@dentons.com or visit our website. Please see dentons.com for Legal Notices.

2ND LEASE AMENDMENT

This Amendment is hereby entered into on this 17th day of July 2017

BETWEEN

2220277 Ontario Inc. (the "Landlord")

and

2452482 Ontario Inc. o/a Food Society (the "Tenant")

Collectively referred to as the "Parties".

WHEREAS the Landlord and the Tenant have entered into a Lease dated April 1, 2017 and a Lease Amendment dated April 3, 2017 and wish to amend Article 4 of the Lease and amend the Amendment dated April 3, 2017.

NOW THEREFORE IN CONSIDERATION of the mutual promises and covenants contained herein, receipt of which is acknowledged, the Parties hereby agree as follows:

1. The Tenant shall not be required to pay any rent or additional rent for the months of October 2017 and November 2017, in order to obtain an occupancy permit to carry on the Tenant's business, as per the Lease Agreement;
2. The Tenant shall pay a total of \$ [REDACTED] per month from December 1st, 2017 onwards, until 60 days after the Tenant receives its liquor license and thereafter, the rent shall resume as per the Lease at \$ [REDACTED] + HST per month.

Agreed and accepted by:

2220277 Ontario Inc.

2452482 Ontario Inc.

Landlord

Tenant

APPENDIX “N”
TO THE SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF THE RECEIVER

October 18, 2017

File No.: 559456-3

DELIVERED VIA COURIER

SENT VIA E-MAIL: dvoskanova@hotmail.com

2452482 Ontario Inc.
c/o Food Society
650 Bay Street
Toronto ON M5G 1M8

Attention: Diana Voskanova

Dear Ms. Voskanova:

RE: Zaherali Visram v. 2220277 Ontario Inc. (the "Landlord")
Court File Number: CV-17-11811-00CL

We write further to our previous correspondence and your discussion with A. Farber & Partners Inc., in its capacity as court-appointed receiver (the "**Receiver**") of the Landlord.

We previously requested from you proof of insurance, a copy of which is required to be delivered pursuant to the Lease, dated April 1, 2017, as amended (the "**Lease**"). On October 17, 2017, you advised the Receiver that you are operating without proper insurance.

Pursuant to Section 6.06 of the Lease, the failure to take out and maintain proper insurance is a default thereunder. On behalf of the Receiver, we hereby give you notice that you are in default of the Lease. If such default is not immediately rectified, and suitable insurance taken out and maintained, the Lease may be terminated pursuant to Section 14.01 thereof.

The Receiver reserves all rights and remedies under the Lease.

Yours truly,
Dentons Canada LLP



Sara-Ann Van Allen

SVA/ac

c.c. John Hendriks (A. Farber & Partners Inc.)
Stuart Mitchell (A. Farber & Partners Inc.)

ZAHERALI VISRAM
Applicant

- and -

2220277 ONTARIO INC.
Respondent

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

PROCEEDING COMMENCED AT TORONTO

**SECOND SUPPLEMENTAL REPORT TO THE
FIFTH REPORT OF A. FARBER & PARTNERS
INC. IN ITS CAPACITY AS COURT APPOINTED
RECEIVER OF 2220277 ONTARIO INC.**

DENTONS CANADA LLP

77 King Street West, Suite 400
Toronto-Dominion Centre
Toronto, ON M5K 0A1

Kenneth Kraft (LSUC # 31919P)

Tel: (416) 863-4374

Fax: (416) 863-4592

kenneth.kraft@dentons.com

Sara-Ann Van Allen (LSUC # 56016C)

Tel: (416) 863-4402

sara.vanallen@dentons.com

*Lawyers for A. Farber & Partners Inc., Court Appointed
Receiver of 2220277 Ontario Inc.*