

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

BETWEEN:

KINGSETT MORTGAGE CORPORATION

Applicant

– and –

30 ROE INVESTMENTS CORP.

Respondent

**IN THE MATTER OF AN 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**

**AIDE MEMOIRE OF THE RECEIVER
(RE: 9:30am Attendance to be held before
Justice Osborne on October 12, 2023)**

October 11, 2023

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

Chris Armstrong LSO#: 55148B
carmstrong@goodmans.ca

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for KSV Restructuring Inc. in
its capacity as Court-appointed Receiver

OVERVIEW

1. KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) of certain property of 30 Roe Investments Corp. (the “**Debtor**”) seeks a direction of the Court to: (i) re-schedule the Receiver’s motion (described below) from October 13, 2023, to an early November 2023 date to be set by the Court for two (2) hours; and (ii) endorse the Litigation Schedule (defined below) which has been agreed to by all parties in interest.

BACKGROUND

2. The Debtor owned nine residential condominium units and related parking spaces and storage units/lockers (collectively, the “**Units**”) located in a thirty-five storey, 397-unit condominium building at 30 Roehampton Avenue in Toronto, Ontario known as the “Minto 30 Roe”. The purpose of this proceeding was to complete sales in respect of the Units that maximized value for the Debtor’s stakeholders. The sale of the last Unit closed on September 7, 2023. To date, distributions totalling nearly \$6 million have been to the Debtor’s secured creditors.

THE RECEIVER’S MOTION AND ZAR’S RULE 15 MOTION

3. On October 4, 2023, the Receiver served a motion returnable October 13, 2023, seeking, among other things, its discharge and the passing of the accounts of the Receiver and its counsel. Further to the Endorsement of the Court dated May 30, 2023, the Receiver’s motion also seeks authorization to make such HST remittances, if any, as the Receiver determines are required.

4. Subject to payment of ongoing administration costs and HST, the remaining funds held by the Receiver will be distributed to KingSett Mortgage Corporation (“**KingSett**”), who will suffer a shortfall on the secured indebtedness owing to it by the Debtor in any scenario.

5. Raymond Zar (“**Zar**”), the principal of the Debtor, has advised the Receiver that he intends to oppose various aspects of the Receiver’s motion, namely approval of the Fifth Report of the Receiver (the “**Fifth Report**”), passing of the accounts of the Receiver and its counsel and the releases sought in favour of the Receiver and KingSett. Zar has also advised that he intends to bring a motion seeking leave to represent the Debtor pursuant to Rule 15 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended.

6. Zar has advised the Receiver the evidence he will lead in response to the Receiver’s motion includes, but is not limited to:

- (a) Video of KSV misrepresenting itself to guests and tenants (including former Justice McEwen’s complaint to you [Receiver’s counsel] for falsely claiming in your report that you had brought that video to his attention and your admission that you misled the court).
- (b) Audio of call from Airbnb.
- (c) Video/Audio of KSV lying to Toronto Police and evidence that it filed a false police report.
- (d) Video/Audio of KSV admitting to KingSett (before lying to Toronto Police) that it knew exactly who the lady in PH01 was and would use the incident to hurt us.
- (e) Audio of KingSett threatening Blaneys [former counsel to the Debtor] to blocking Blaneys from bringing a motion to discharge the Receiver when we secured \$3 million to payout KingSett and all costs in full.
- (f) Audio of KingSett threatening Blaneys and demanding their resignation as counsel to 30 Roe the second time around.
- (g) Audio of Bennett Jones admitting KingSett’s true agenda to Paliare Roland [another former counsel to the Debtor].

- (h) Various other misconduct, misrepresentations and outright malice against me and my company.¹

7. The evidence Zar has advised he intends to lead is consistent with a pattern of allegations he has made against the Receiver, KingSett and virtually every other party involved in this receivership proceeding since it commenced. As outlined in the Third Report of the Receiver dated January 26, 2023, the Fourth Report of the Receiver dated May 16, 2023, and the Fifth Report, Zar's allegations and other conduct throughout the receivership have increased the costs of the administration of the receivership.

DIRECTION SOUGHT

8. In light of Zar's stated position, the Receiver, KingSett and Zar have agreed to a litigation schedule for the remaining steps to be completed in advance of the Receiver's motion and Zar's Rule 15 motion, a copy of which is attached as Schedule "A" (the "**Litigation Schedule**"). The parties have also agreed that the hearing date will be peremptory.

9. For all the foregoing reasons, the Receiver respectfully requests that the Court endorse the Litigation Schedule and fix a peremptory hearing date for early-November 2023 for two (2) hours, subject to the Court's availability.

¹ This passage has been directly copied from an email from Zar to Receiver's counsel dated October 5, 2023.

SCHEDULE “A” – LITIGATION SCHEDULE

Date	Party	Step
October 16, 2023	Zar	Zar serves: (i) Rule 15 motion record; and (ii) responding motion record to Receiver’s motion, including in each case all evidence Zar relies upon (including any video or audio recordings Zar seeks to have introduced into the record).
October 20, 2023	Receiver	Receiver serves: (i) Responding motion record to Zar’s Rule 15 motion; and (ii) reply motion record in respect of Receiver’s motion.
October 24-26, 2023	Zar & Receiver	Cross-examinations. Half-day in this timeframe that works for all parties.
October 31, 2023	Zar & Receiver	Receiver serves factum for Receiver’s motion; Zar serves factum for Rule 15 motion.
November 6, 2023	Zar & Receiver	Receiver serves responding factum on Rule 15 motion and Zar serves responding factum on Receiver’s motion.
Early November 2023	All parties	Proposed hearing date for two (2) hours, based on Court availability. Hearing date is preemptory.

To the extent KingSett wishes to deliver any motion materials, it will do so on the same date indicated for the Receiver serving its materials.

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

Court File No.: CV-22-00674810-00CL

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Applicant Respondents

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Proceeding commenced at Toronto

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

Christopher G. Armstrong LSO# 55148B
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