



**Fifth Report to Court of
KSV Kofman Inc. as
Proposal Trustee of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc. and
82 Old Kennedy Development Inc.**

March 8, 2019

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ESTATE FILE NO.: 31-2436538

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE PROPOSAL OF
58 OLD KENNEDY DEVELOPMENT INC.,
76 OLD KENNEDY DEVELOPMENT INC. AND
82 OLD KENNEDY DEVELOPMENT INC.,
ALL CORPORATIONS INCORPORATED UNDER THE LAWS OF ONTARIO

FIFTH REPORT OF KSV KOFMAN INC.
AS PROPOSAL TRUSTEE
MARCH 8, 2019

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as proposal trustee ("Proposal Trustee") in connection with Notices of Intention to Make a Proposal ("NOI") filed on October 26, 2018 by 58 Old Kennedy Development Inc. ("58 Old Kennedy"), 76 Old Kennedy Development Inc. ("76 Old Kennedy") and 82 Old Kennedy Development Inc. ("82 Old Kennedy", and together with 58 Old Kennedy and 76 Old Kennedy, the "Companies") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, as amended ("BIA").
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on November 26, 2018 (the "November 26th Order"), the Companies' NOI proceedings were administratively consolidated. A copy of the November 26th Order is attached as Appendix "A".
3. Pursuant to the November 26th Order and a further Court order made on December 21, 2018 (the "December 21st Order"), the deadline for each of the Companies to file a proposal was extended to February 22, 2019.
4. The principal purpose of these restructuring proceedings was to create a stabilized environment to enable the Companies to (a) complete a sale of their real property at 58 Old Kennedy Road and 20 Thelma Avenue, 76 Old Kennedy Road and 82 Old Kennedy Road, in the City of Markham (collectively, the "Real Property") and (b) make a proposal to creditors. In this regard:
 - a) on January 28, 2019, the Court issued a Sale Approval and Vesting Order approving three agreements of purchase and sale dated as of December 8, 2018 (as amended on January 15, 2019) (the "APs") between each of the

Companies and 5008830 Ontario Inc.¹ (the “Purchaser”). The transactions (“Transactions”) were completed on January 31, 2019; and

- b) on February 13, 2019, each of the Companies filed a proposal (collectively, the “Proposals”) and Certificates of Filing a Proposal were issued by the Office of the Superintendent of Bankruptcy (Canada) (“OSB”) on that date. Copies of the OSB’s Certificates are attached as Appendix “B”.

5. KSV is filing this Report in its capacity as Proposal Trustee of the Companies.

1.1 Purposes of this Report

1. The purposes of this Report are to:

- a) provide background information about the Companies and these proceedings;
- b) summarize the results of the three meetings of creditors held on March 6, 2019 to consider and vote on the Proposals (collectively, the “Meetings”);
- c) provide the statutory disclosure required under Sections 58(d) and 59(1) of the BIA;
- d) provide the basis on which the Proposal Trustee is proposing that the Companies engage a tax accountant acceptable to the Proposal Trustee to prepare the Companies’ tax returns and quantify the Companies’ tax obligations owing to Canada Revenue Agency (“CRA”) by March 28, 2019, failing which the Proposal Trustee be authorized to engage on the Companies’ behalf a tax accountant of its choosing; and
- e) recommend that the Court make an order:
 - i. approving the Proposals; and
 - ii. declaring that if the Companies have not engaged a tax accountant acceptable to the Proposal Trustee on terms acceptable to the Proposal Trustee by March 28, 2019, the Proposal Trustee be authorized to engage a tax accountant of its choosing on behalf of the Companies.

1.2 Currency

1. All currency references in this Report are to Canadian dollars.

¹ The purchaser under the APSs was Cheng Yi Wei in trust for a company to be incorporated. 5008830 Ontario Inc. is the company that was incorporated and was the purchaser of the Real Property.

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Companies' management, their books and records and discussions with management. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party wishing to place reliance on the Companies' financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Background

1. The Companies are affiliates of Forme Development Group Inc. and approximately 30 other real estate development companies (collectively, the "Forme Group"). Yuan Hua Wang is believed to be the founder, sole shareholder and director of each entity in the Forme Group, including the Companies.
2. The Forme Group is a commercial and residential real estate development group specializing in low-rise, high-rise, mixed-use and hospitality developments. The Forme Group's projects are primarily located in the Greater Toronto Area, with a few located in Southwestern Ontario.
3. The Companies are single purpose entities that, until the completion of the Transactions, owned real estate development properties. The Real Property forms an assembly that was intended to be a single development project.
4. Pursuant to a Court order made on November 30, 2018 (as amended and restated, the "Initial Order"), Forme Group and certain affiliated entities were granted protection under the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended (the "CCAA"), and KSV was appointed monitor. The Companies are not subject to the CCAA proceedings.
5. Pursuant to the December 21st Order, TD Cornerstone Commercial Realty Inc. ("TD") was retained by the Companies to list the Real Property for sale. The December 21st Order approved a listing agreement with TD and the sale process contemplated thereby ("Sale Process"). The Sale Process launched on January 9, 2019 and the bid deadline was February 7, 2019. The Companies received unsolicited offers from the Purchaser prior to the bid deadline. After negotiation, the offers were accepted, subject to Court approval. The offers were approved by the Court on January 28, 2019. The rationale for accepting the offers in advance of the bid deadline is set out in the Proposal Trustee's Fourth Report to Court dated January 22, 2019 (the "Fourth Report"). A copy of the Fourth Report, without appendices, is attached as Appendix "C". Details of the Transactions are also provided in the Fourth Report. Copies of the Fourth Report and other Court materials filed in these proceedings are available on

KSV's website at <https://www.ksvadvisory.com/insolvency-cases/case/58-old-kennedy-development-inc-76-old-kennedy-development-inc-82-old-kennedy-development-inc>.

3.0 Assets

1. The present balance in the Proposal Trustee's trust accounts for each of the Companies is as follows:

Entity	Cash on deposit ² (\$000s)
58 Old Kennedy	4,125 ³
76 Old Kennedy	803
82 Old Kennedy	448
Total	5,376

2. The cash/term deposits reflected above represent the Companies' only known assets at this time. The only other potential asset that the Proposal Trustee is aware of may be amounts owing from related parties. Once the Companies' internal financial statements are brought current, the Proposal Trustee intends to work with the Companies to file claims against the applicable affiliate(s), to the extent there are amounts owing to the Companies from those entities. As at the date of this Report, these amounts, if any, are unknown as the Companies' internal financial statements are incomplete.

4.0 Creditors

1. All of the Companies' secured creditors were fully repaid from the proceeds of the Transactions. The table below sets out the Companies' unsecured creditors as reported on their respective Statement of Affairs.

Creditor	Borrower	Amount (\$)
Arcadis Canada Inc.	76 Old Kennedy	4,479
Network Services	76 Old Kennedy	373
Canada Revenue Agency ("CRA")	The Companies	Unknown

2. In an effort to identify claims that may not have been recorded in the Companies' books and records, the Proposal Trustee:
 - a) arranged for a notice to be published in *The Globe and Mail* on February 20, 2019;

² On closing of the Transactions, the second mortgage, which charged all three properties, was paid by 82 Old Kennedy. Accordingly, the cash balances are subject to a reallocation among the three estates, if required.

³ Includes funds that the Proposal Trustee recently invested in a \$4 million term deposit, which is redeemable at any time.

- b) posted on its website a creditors' package, including a Proof of Claim form, voting letter and the Proposal Trustee's Report to Creditors dated February 22, 2019 (the "Report to Creditors"); and
 - c) sent a creditors' package to unsecured creditors of other entities in the Forme Group, including consultants whose invoices may not be recorded in the Companies' books and records.
3. As a result of these efforts, Weston Consulting Group Inc. ("Weston"), which had not been listed as a creditor in the Companies' books and records, filed claims against each of the Companies for approximately \$4,500.
 4. CRA is likely a creditor of each of the Companies as a result of the gain realized on the sale of the Real Property pursuant to the Transactions. The table below reflects the acquisition price of the Real Property and the sale price of the Real Property under the Transactions.

Property	Date of Acquisition	(\$000s)	
		Purchase Price	Sale Price
58 Old Kennedy	November 30, 2015	6,800	11,000
76 Old Kennedy	December 8, 2015	2,500	4,000
82 Old Kennedy	April 17, 2016	11,500	15,000
Total		20,800	30,000

5. As at the date of this Report, CRA's claims have not been quantified. A tax accountant needs to be retained forthwith so the tax obligations of each of the Companies can be calculated and the required tax returns can be filed. As a result, CRA filed "placeholder" claims in the amount of \$250 against each of the Companies. CRA's claims are expected to be material.

5.0 The Proposals

1. The terms of the Proposals were detailed in the Report to Creditors and are not repeated herein.
2. On an overall basis, the Proposals provide for the full repayment of all claims against the Companies, based on the known claims at this time, and then to make a distribution to the shareholder upon a further order of the Court.
3. As required under the BIA, prior to the Meetings, the Proposal Trustee made a detailed and careful inquiry into the liabilities of the Companies, the Companies' assets and their value, the Companies' conduct, the causes of the Companies' insolvency and conducted a review of the Companies' bank statements for the year preceding the filing of the NOIs. All of these matters are summarized in the Report to Creditors.

5.1 Statutory Disclosure

1. On February 22, 2019, the Proposal Trustee gave notice (the "Notice") to the Companies, the OSB and to every known creditor affected by the Proposals of the calling of the Meetings to consider the Proposals. A copy of the Notice is attached as Appendix "D".

2. The following items were included with the Notice and are appended to this Report as part of Appendix "D":
 - a) condensed statement of the estimated assets and liabilities of the Companies;
 - b) list of creditors who have claims of \$250 or more according to the Companies' books and records;
 - c) the Proposals;
 - d) the Report to Creditors;
 - e) proof of claim form and proxy; and
 - f) voting letter.
3. On February 22, 2019, immediately after sending the Notice, the Proposal Trustee posted the Notice with all attachments on its website.
4. In order to attend the Meetings and/or vote on the Proposals, creditors were required to submit a proof of claim to the Proposal Trustee.

6.0 The Meetings

1. The Meetings were held on March 6, 2019 and were presided over by the Proposal Trustee. The Proposal Trustee reported to the creditors at the Meetings on the matters required pursuant to the BIA, including reviewing the Report to Creditors and the terms of the Proposals.
2. CRA and Weston were the only voting creditors present in person (in the case of CRA) or by proxy (in the case of Weston) at each of the Meetings. Both creditors voted in favour of the Proposals and, accordingly, the Proposals were accepted by 100% of the voting creditors. A copy of the voting register is attached as Appendix "E".
3. A copy of the minutes of the Meetings is attached as Appendix "F".

7.0 Recommendation

1. The Proposal Trustee recommends that the Court issue an order approving the Proposals for the following reasons:
 - a) they were approved by 100% of the creditors voting in person or by proxy at the Meetings;
 - b) acceptance and implementation of the Proposals is expected to result in full repayment of all creditor claims against the Companies; and
 - c) there does not appear to be any benefit to a bankruptcy in the circumstances.

8.0 Retention of a Tax Accountant

1. Immediately following completion of the Transactions, the Proposal Trustee recommended that the Companies engage a tax accountant to perform the required tax work.
2. On February 14, 2019, the Proposal Trustee obtained a quote and draft engagement letter from the private client services group of Ernst & Young LLP ("E&Y"), which the Proposal Trustee presented to the Companies on that date.
3. As at the date of this Report, a tax accountant has yet to be engaged. In the Proposal Trustee's view, there is no basis to continue to delay the engagement of E&Y or another firm acceptable to the Proposal Trustee.
4. The Proposal Trustee understands that the Companies may wish to engage another firm as their tax accountant. Given the urgent need to quantify the Companies' obligations owing to CRA, the Proposal Trustee is recommending that the Court issue an order declaring that if the Companies have not engaged a tax accountant acceptable to the Proposal Trustee on terms acceptable to the Proposal Trustee by March 28, 2019, the Proposal Trustee be authorized to engage a tax accountant of its choosing on behalf of the Companies.

9.0 Anticipated Next Steps in these Proceedings

1. Subject to Court approval of the Proposals, the next step in these proceedings will be to finalize the retention of a tax accountant in order to quantify the Companies' obligations owing to CRA.
2. CRA's claims will need to be quantified prior to any distributions being paid to the Companies' shareholder. In due course, the Proposal Trustee will bring a motion to approve any distributions to the Companies' shareholder.

10.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(e) of this Report.

* * *

All of which is respectfully submitted,


KSV KOFMAN INC.

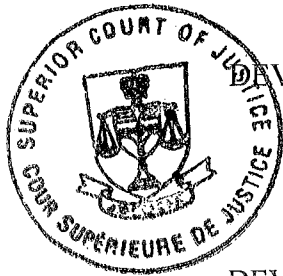
**SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICES OF INTENTION TO MAKE A PROPOSAL OF
THE COMPANIES AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

)	MONDAY, THE 26 TH
THE HONOURABLE MR.)	
JUSTICE HAINEY)	DAY OF NOVEMBER, 2018

Estate No. 31-2436538



IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE
LAWS OF ONTARIO
AND

Estate No. 31-2436600

IN THE MATTER OF THE PROPOSAL OF 76 OLD KENNEDY
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE
LAWS OF ONTARIO
AND

Estate No. 31-2436604

IN THE MATTER OF THE PROPOSAL OF 82 OLD KENNEDY
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE
LAWS OF ONTARIO
AND

Estate No. 31-2438977

IN THE MATTER OF THE PROPOSAL OF 9500 DUFFERIN
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO
AND

Estate No. 31-2439433

IN THE MATTER OF THE PROPOSAL OF 250 DANFORTH
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO
AND

Estate No. 31-2439448

IN THE MATTER OF THE PROPOSAL OF 3310 KINGSTON
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO
AND

Estate No. 31-2439440

IN THE MATTER OF THE PROPOSAL OF 1296 KENNEDY
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO
AND

Estate No. 31-2440234

IN THE MATTER OF THE PROPOSAL OF 159 CARVILLE
DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER
THE LAWS OF ONTARIO

ORDER

(Procedural Consolidation of Estates and Extension of Time to File A Proposal)

THIS MOTION made by 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc., 82 Old Kennedy Development Inc., 9500 Dufferin Development Inc., 250 Danforth Development Inc., 3310 Kingston Development Inc., 1296 Kennedy Development Inc. and 159 Carville Development Inc., (collectively, the “**NOI Companies**”) for an order authorizing and directing the procedural consolidation of the NOI Companies’ proceedings (the “**NOI Proceedings**”) under Section 50.4 of the *Bankruptcy and Insolvency Act* (“**BIA**”) and extending the time to file a proposal, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the NOI Companies’ Motion Record in respect of this motion and the Second Report dated November 20, 2018 (the “**Second Report**”) of KSV Kofman Inc., in its capacity as proposal trustee (the “**Proposal Trustee**”).

AND UPON hearing the submissions of counsel for the NOI Companies, the Proposal Trustee and those other parties present, no one else appearing for any other person on the service list, although duly served as appears from the affidavit of service of Katie Parent sworn November 21, 2018, filed;

NOTICE AND SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Record in respect of this motion and the Second Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.

CONSOLIDATION OF ESTATES

2. **THIS COURT ORDERS** that the NOI Proceedings shall be administratively and procedurally consolidated and the Proposal Trustee shall be authorized and directed to administer the NOI Companies on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities as trustee under the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended.

3. **THIS COURT ORDERS** that the single Court file number of 31-2436538 and the title of proceeding of shall be assigned to the NOI Proceedings as follows:

**IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY DEVELOPMENT INC.,
76 OLD KENNEDY DEVELOPMENT INC., 82 OLD KENNEDY DEVELOPMENT INC.,
9500 DUFFERIN DEVELOPMENT INC., 250 DANFORTH DEVELOPMENT INC., 3310
KINGSTON DEVELOPMENT INC., 1296 KENNEDY DEVELOPMENT INC., 159
CARVILLE DEVELOPMENT INC., ALL CORPORATIONS INCORPORATED UNDER
THE LAWS OF ONTARIO**

4. **THIS COURT ORDERS** that a copy of this Order shall be filed by NOI Companies in the Court file for the Estate numbers 31-2436538, 31-2436600, 31-2436604, 31-2438977, 31-2439433, 2439448, 31-2439440 and 31-2440234 but that any other document required to be filed in this proceeding shall hereafter only be required to be filed in Court file number 31-2436538.

5. **THIS COURT ORDERS** that the procedural and administrative consolidation of the NOI Proceedings shall not: (i) affect the separate legal status and corporate structures of any of the NOI Companies; (ii) cause any of the NOI Companies to be liable for any claim for which it otherwise is not liable; or (iii) affect the Proposal Trustee's right to seek to disallow any claim, including on the basis that such claim is a duplicative claim.

EXTENSION OF TIME TO FILE A PROPOSAL

6. **THIS COURT ORDERS** that, pursuant to Section 50.4(9) of the BIA, the time for filing a proposal with the Official Receiver in each of the NOI Proceedings be and is hereby extended to January 8, 2019.

7. **THIS COURT ORDERS** that the Proposal Trustee be and is hereby authorized to confirm in writing to any mortgagees holding a charge on a property of an NOI Company and who wishes to enforce its remedies as mortgagees against such property, that it is entitled to proceed to do so, notwithstanding the currency of any stay of proceedings imposed by operation of the BIA.

GENERAL

8. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal and regulatory authorities against whom it may be enforceable.

9. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province to act in aid of and to be complementary to this Court 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 as may be necessary or desirable to give effect to the Order or to assist the Trustee and its agents in carrying out the terms of this Order.

A handwritten signature in cursive script, reading "Hainey J.", is written over a horizontal line.

IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 76 OLD KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 82 OLD KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 9500 DUFFERIN DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 250 DANFORTH DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 3310 KINGSTON DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 1296 KENNEDY DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO
IN THE MATTER OF THE PROPOSAL OF 159 CARVILLE DEVELOPMENT INC., A CORPORATION INCORPORATED UNDER THE LAWS OF ONTARIO

Estate File Nos: 31-2436538
31-2436600
31-2436604
31-2438977
31-2439433
31-2439448
31-2439440
31-2440234

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced TORONTO

ORDER

(Procedural Consolidation of Estates and
Extension of Time to File a Proposal)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto ON M5G 1V2

Mario Forte (LSUC#: 27293F)
Tel: 416.597.6477
Email: forte@gsnh.com

Jennifer Stam (LSUC #46735J)
Tel: 416-597-9922
Email: stam@gsnh.com

Lawyers for the NOI Companies

Appendix “B”



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2436538
Estate No. 31-2436538

In the Matter of the Proposal of:

58 Old Kennedy Development Inc.

Debtor

KSV KOFMAN INC.

Licensed Insolvency Trustee

Date of Proposal:	February 13, 2019	Security:	\$
Meeting of Creditors:	March 06, 2019, 14:30 100 King St W - Suite 3400 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: February 14, 2019, 11:34

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2436600
Estate No. 31-2436600

In the Matter of the Proposal of:

76 Old Kennedy Development Inc.

Debtor

KSV KOFMAN INC.

Licensed Insolvency Trustee

Date of Proposal:	February 13, 2019	Security:	\$
Meeting of Creditors:	March 06, 2019, 14:30 100 King St W- Suite 3400 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

-- AMENDED --

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: February 14, 2019, 11:39

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2436604
Estate No. 31-2436604

In the Matter of the Proposal of:

82 Old Kennedy Development Inc.

Debtor

KSV KOFMAN INC.

Licensed Insolvency Trustee

Date of Proposal:	February 13, 2019	Security:	\$
Meeting of Creditors:	March 06, 2019, 14:30 100 King St W- Suite 3400 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: February 14, 2019, 11:42

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

Appendix “C”



**Fourth Report to Court of
KSV Kofman Inc. as
Proposal Trustee of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc. and
82 Old Kennedy Development Inc.**

January 22, 2019

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Third Report to Court dated December 14, 2018 (without appendices)	D
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Sale Agreement dated December 8, 2018, as amended (76 Old Kennedy).....	F
Sale Agreement dated December 8, 2018, as amended (82 Old Kennedy).....	G



ESTATE FILE NO.: 31-2436538

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE PROPOSAL OF
58 OLD KENNEDY DEVELOPMENT INC.,
76 OLD KENNEDY DEVELOPMENT INC. AND
82 OLD KENNEDY DEVELOPMENT INC.,
ALL CORPORATIONS INCORPORATED UNDER THE LAWS OF ONTARIO**

**FOURTH REPORT OF KSV KOFMAN INC.
AS PROPOSAL TRUSTEE
JANUARY 22, 2019**

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as proposal trustee ("Proposal Trustee") in connection with Notices of Intention to Make a Proposal ("NOI") filed on October 26, 2018 by 58 Old Kennedy Development Inc. ("58 Old Kennedy"), 76 Old Kennedy Development Inc. ("76 Old Kennedy") and 82 Old Kennedy Development Inc. ("82 Old Kennedy", and together with 58 Old Kennedy and 76 Old Kennedy, the "Companies") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3*, as amended ("BIA").
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on November 26, 2018 (the "November 26th Order"), the Companies' NOI proceedings were administratively consolidated. A copy of the November 26th Order is attached as Appendix "A".
3. Subject to further Order of the Court, the current deadline for each of the Companies to file a proposal is February 22, 2019.
4. KSV is filing this Report in its capacity as Proposal Trustee of the Companies.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Companies and these proceedings;

- b) summarize the terms of three agreements of purchase and sale dated December 8, 2018, as amended January 15, 2019 (collectively, the “Sale Agreements”), pursuant to which 5008830 Ontario Inc.¹ (the “Purchaser”) has agreed to purchase (the “Transactions”) the Companies’ real property at 58 Old Kennedy Road and 20 Thelma Avenue², 76 Old Kennedy Road and 82 Old Kennedy Road, in the City of Markham (collectively, the “Real Property”);
- c) discuss the rationale for the Proposal Trustee’s recommendation that the Transactions should be approved and completed at this time;
- d) set out the anticipated next steps in these proceedings; and
- e) recommend that the Court make an order, *inter alia*:
 - i. approving the Transactions; and
 - ii. vesting in the Purchaser the Companies’ right, title and interest in and to the Real Property, free and clear of all liens, charges, security interests and encumbrances, other than the permitted encumbrances.

1.2 Currency

1. All currency references in this Report are to Canadian dollars.

1.3 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Companies’ management, their books and records and discussions with management. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party wishing to place reliance on the Companies’ financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

¹ The purchaser under the Sale Agreements is Cheng Yi Wei in trust for a company to be incorporated. The Proposal Trustee understands that 5008830 Ontario Inc. is that incorporated company and will be the purchaser of all of the Real Property.

² 58 Old Kennedy Road and 20 Thelma Avenue merged on title.

2.0 Background

1. The Companies are affiliates of Forme Development Group Inc. as well as approximately 30 other real estate development companies (collectively, the “Forme Group”). Yuan Hua Wang is the sole director of each entity in the Forme Group. He is also believed to be the sole shareholder of each entity in the Forme Group.
2. The Forme Group is a commercial and residential real estate development group specializing in low-rise, high-rise, mixed-use and hospitality developments. The Forme Group’s projects are primarily located in the Greater Toronto Area, with a few located in Southwestern Ontario.
3. Pursuant to a Court order made on November 30, 2018 (as amended and restated, the “Initial Order”), Forme Development Group Inc. and certain affiliated entities were granted protection under the *Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended (the “CCAA”), and KSV was appointed monitor. The Companies are not subject to the CCAA proceedings.
4. The Real Property forms an assembly that is intended to be a single development project (the “Assembly”). The mortgagees on each of the Companies’ properties are provided in the table below.

Property	Mortgagee	Principal Amount (\$000s)	Priority
58 Old Kennedy Rd. and 20 Thelma Ave.	All Season Recycle Inc. (“All Season”)	5,100	First
76 Old Kennedy Rd.	Matthew Castelli (“Castelli”)	2,800	First
82 Old Kennedy Rd.	Wu’s International Group Inc. (“Wu’s”)	8,625	First
58/76/82 Old Kennedy Rd.	Castelli	5,000	Second on all three parcels

(All Season, Castelli and Wu’s are collectively referred to as the “Mortgagees”).

5. KSV filed its First Report to Court dated November 6, 2018 (the “First Report”) in its joint capacities of Proposal Trustee and proposed CCAA monitor. KSV filed three supplements to the First Report (the “Supplemental Reports”). Detailed information about the Companies, real property value estimates, the reasons for filing the NOIs and the intended restructuring plan is set out in the First Report and the Supplemental Reports and, accordingly, that information is not repeated in this Report. Copies of the First Report and the Supplemental Reports are attached as Appendices “B” and “C”, respectively, each without appendices.
6. Based on the Companies’ unaudited books and records used to compile the creditor listings for the purposes of the Companies’ NOI filings, the Companies’ unsecured claims are summarized in the table below. The claims against the Companies have not been confirmed and will be determined through a claims process to be conducted in these proceedings.

Entity	Unsecured Claim Amount (C\$000s)
58 Old Kennedy	94
76 Old Kennedy	47
82 Old Kennedy	106

7. The Proposal Trustee is not currently aware of any creditors with secured claims against the Companies other than the Mortgagees.
8. The First Report, Supplemental Reports and all other materials filed in these proceedings are available on KSV's website at <https://www.ksvadvisory.com/insolvency-cases/case/58-old-kennedy-development-inc-76-old-kennedy-development-inc-82-old-kennedy-development-inc>.

3.0 Sale Process

1. Pursuant to a Court order made on December 21, 2018 (the "December 21st Order"), TD Cornerstone Commercial Realty Inc. ("TD") was retained by the Companies to list the Real Property for sale. The December 21st Order approved a listing agreement with TD and the sale process contemplated thereby.
2. The sale process was detailed in the Proposal Trustee's Third Report to Court dated December 14, 2018 (the "Third Report"), a copy of which is attached as Appendix "D", without appendices.
3. The sale process launched on January 9, 2019. The offer deadline is February 7, 2019 and the anticipated closing date of any transaction generated from that process is three weeks following the offer deadline (i.e. end of February 2019, at the earliest).
4. The Third Report referenced that the Proposal Trustee had received, in advance of the launch of the sale process, unsolicited offers or expressions of interest for the Real Property. The unsolicited offers included the offers submitted by the Purchaser.

4.0 Enforcement Proceedings

1. Pursuant to the November 26th Order, the Mortgagees are not subject to the automatic stay of proceedings under the BIA. Accordingly, certain of the Mortgagees have advanced their enforcement remedies under their respective mortgages.
2. Under Notices of Sale issued by Castelli and Wu's, the 35-day remediation periods are set to expire on or around January 28, 2019 and February 6, 2019, respectively, at which time both Mortgagees can sell the real estate subject to their mortgage or mortgages. A sale of any individual property in the Assembly (as opposed to a sale of the Assembly as a whole) will impair value.
3. At least one Mortgagee has advised that it intends to conclude a transaction for the property subject to its mortgage in early February 2019.

4. Given the risk of a sale by a Mortgagee prior to the conclusion of the sale process, the Proposal Trustee has worked with the Companies and its legal counsel to consider the transaction opportunities that were submitted directly to the Companies in advance of the launch of the sale process, while contemporaneously working with TD to advance the sale process.

5.0 The Sale Agreements

1. Copies of the Sale Agreements for 58 Old Kennedy, 76 Old Kennedy and 82 Old Kennedy are attached as Appendices “E”, “F” and “G”, respectively. The material terms of the Sale Agreements are summarized in the table below.

Term	58 Old Kennedy	76 Old Kennedy	82 Old Kennedy
Purchaser	5008830 Ontario Inc.		
Purchased Assets	58 Old Kennedy Road / 20 Thelma Ave.	76 Old Kennedy Road	82 Old Kennedy Road
Purchase Price	\$11 million	\$4 million	\$15 million
Deposit	\$300,000	\$150,000	\$300,000
First Mortgagee	All Season	Castelli	Wu's
Satisfaction of Purchase Price	Assumption of the All Season mortgage (principal of \$5.1 million), and cash. (All Season has consented to the assumption of its mortgage).	Cash	Cash
Closing Proceeds	On closing, the Purchaser will: a) assume the All Season mortgage in the principal amount of \$5.1 million; b) pay \$5 million plus interest and costs to Castelli in satisfaction of its second mortgage (which is registered against all three properties); and c) pay the balance of the purchase price in cash to the Proposal Trustee.	On closing, the Purchaser will: a) pay \$2.8 million plus interest and costs to Castelli in satisfaction of its first mortgage; and b) pay the balance of the purchase price in cash to the Proposal Trustee.	On closing, the Purchaser will: a) pay \$8.625 million plus interest and costs to Wu's in satisfaction of its first mortgage; and b) pay the balance of the purchase price in cash to the Proposal Trustee.

Term	58 Old Kennedy	76 Old Kennedy	82 Old Kennedy
Conditions Precedent	The Sale Agreements are consistent with standard insolvency transactions, i.e. to be completed on an “as is, where is” basis with minimal representations, warranties and/or conditions. The only material condition precedent is Court approval.		
Closing Date	Subject to Court approval, the Sale Agreements contemplate a closing date of January 31, 2019.		
Existing Leases	The Purchaser has agreed to take the Real Property subject to all existing leases.		

2. Three deposits totalling \$750,000 were paid by the Purchaser to the Proposal Trustee on January 21, 2019. The deposits are significantly less than contemplated by the sale process and are below market. The Proposal Trustee accepted the deposits on the basis that the Transactions close by January 31, 2019. The deposits are non-refundable, except if the Court does not approve the Transactions.

5.1 Recommendation

1. The Proposal Trustee recommends that the Court issue an order approving the Sale Agreements and the Transactions for the following reasons:
 - a) the Transactions maximize value in the circumstances, as they provide for a sale of the Assembly;
 - b) they will eliminate the risk of a property in the Assembly being sold by a Mortgagee under a power of sale process, which would eliminate the value of the Assembly;
 - c) the interests of the Companies and the Mortgagees are not aligned. The Mortgagees are concerned about being repaid the amounts owing under their mortgages, whereas the Companies are attempting to maximize value for all creditors, and perhaps, the shareholder. At least one of the Mortgagees has advised of its intention to sell the property subject to its mortgage in early February if it is not repaid by that time;
 - d) the value of the proposed Transactions (\$30 million) significantly exceeds the mortgage debt on the Real Property, which totals \$21.525 million plus interest and costs which continue to accrue;
 - e) the purchase price (\$30 million) is consistent with the preliminary value estimate on the Real Property provided by TD (\$31.7 million), as summarized in the Supplemental Reports;

- f) based on preliminary financial information available to the Proposal Trustee, it appears that the proceeds should be sufficient to repay all of the Companies' creditors, including the fees and expenses of the Companies' counsel, the Proposal Trustee and the Proposal Trustee's counsel. Subject to further Order of the Court, it is expected that any surplus will be paid to the Companies' shareholder, who is believed to be Mr. Wang. Mr. Wang supports the Transactions; and
- g) the Transactions have a closing date of January 31, 2019.

6.0 Security Opinions

- 1. Bennett Jones LLP ("Bennett Jones"), the Proposal Trustee's counsel, has provided an opinion to the Proposal Trustee on the mortgages held by each of All Season, Castelli and Wu's³. A security opinion was required as the Sale Agreements contemplate that the mortgages will be paid on closing, with the exception of the All Season mortgage, which is to be assumed.
- 2. Subject to the standard assumptions and qualifications contained in the opinion, Bennett Jones has concluded that the mortgages of each of All Season, Castelli and Wu's have been registered, filed or recorded as required under Ontario law.

7.0 Anticipated Next Steps in these Proceedings

- 1. Subject to Court approval, the next steps in these proceedings will be to:
 - a) work with the Purchaser to close the Transactions;
 - b) bring a motion to approve a claims process to determine the claims against the Companies (other than the Companies' obligations owing to its Mortgagees, which will either be assumed by the Purchaser (in the case of All Season) or fully repaid and discharged pursuant to the Sale Agreements (in the case of Wu's and Castelli)); and
 - c) bring a motion to extend the date by which the Companies must file a proposal, which is presently February 22, 2019 pursuant to the December 21st Order.

³ Copies of the security opinions will be made available to the Court should the Court wish to review them.

8.0 Conclusion and Recommendation

1. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(e) of this Report.

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc". The letters are cursive and fluid.

KSV KOFMAN INC.

**SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICES OF INTENTION TO MAKE A PROPOSAL OF
THE COMPANIES AND NOT IN ITS PERSONAL CAPACITY**

Appendix “D”



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Estate File Nos.

31-2436538

31-2436600

31-2436604

**IN THE MATTER OF THE PROPOSAL OF
58 OLD KENNEDY DEVELOPMENT INC.,
76 OLD KENNEDY DEVELOPMENT INC. AND
82 OLD KENNEDY DEVELOPMENT INC.**

CREDITOR PACKAGE

February 22, 2019

To: Creditors of 58 Old Kennedy Development Inc., 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc. (collectively, the “Companies”)

On February 13, 2019, each of the Companies filed a proposal (“Proposal”) with the Office of the Superintendent of Bankruptcy (Canada). KSV Kofman Inc. is the Proposal Trustee (“Proposal Trustee”) of the Companies.

You are receiving this package because you are either a creditor or a potential creditor of the Companies. In this regard, enclosed please find:

- Trustee’s Report to Creditors (“Report”), which attaches:
 - a) Certificates of Filing of the Proposals (Appendix “A”)
 - b) Proposals (Appendix “B”)
 - c) Proof of Claim Form, Proxy and Voting Letters (Appendix “C”)
 - d) Notices of Proposals to Creditors (Appendix “D”)
 - e) Statements of Affairs summary (Appendix “E”)
 - f) Lists of Creditors (Appendix “F”)
 - g) Notices of Hearing of Application for Court Approval of Proposals (Appendix “G”)

As detailed in the Report, to vote on a Proposal, a creditor of the applicable Company must file a proof of claim with the Proposal Trustee prior to the applicable meeting to consider the Proposals on March 6, 2019 at 2:30 p.m. Creditors can vote at the meeting by attending in person or by submitting voting letters to the Proposal Trustee prior to the meeting. Creditors can also vote by way of proxy and can identify the Proposal Trustee as its proxy.

Should you have any questions on any of the enclosed materials, please contact the undersigned.

KSV Kofman Inc.

**SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE PROPOSALS
OF 58 OLD KENNEDY DEVELOPMENT INC.,
76 OLD KENNEDY DEVELOPMENT INC. AND
82 OLD KENNEDY DEVELOPMENT INC.
AND NOT IN ITS PERSONAL CAPACITY**



**Trustee's Report to Creditors on the
Proposals of
58 Old Kennedy Development Inc.,
76 Old Kennedy Development Inc. and
82 Old Kennedy Development Inc.**

February 22, 2019

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ESTATE FILE NOS.: 31-2436538, 31-2436600 & 31-2436604

**IN THE MATTER OF THE PROPOSAL OF
58 OLD KENNEDY DEVELOPMENT INC.,
76 OLD KENNEDY DEVELOPMENT INC. AND
82 OLD KENNEDY DEVELOPMENT INC.**

**TRUSTEE'S REPORT TO CREDITORS ON PROPOSALS
(SECTION 50(5) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)**

February 22, 2019

1.0 Introduction

1. This report ("Report") is filed by KSV Kofman Inc. ("KSV") in its capacity as Proposal Trustee ("Proposal Trustee") in connection with the Notices of Intention to Make a Proposal ("NOI") filed by 58 Old Kennedy Development Inc. ("58 Old Kennedy"), 76 Old Kennedy Development Inc. ("76 Old Kennedy") and 82 Old Kennedy Development Inc. ("82 Old Kennedy", and together with 58 Old Kennedy and 76 Old Kennedy, the "Companies") on October 26, 2018 under Section 50.4(1) of the *Bankruptcy and Insolvency Act* ("BIA").
2. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on November 26, 2018 (the "November 26th Order"), the Companies' NOI proceedings were administratively consolidated.
3. Pursuant to the November 26th Order and a further Order of the Court made on December 21, 2018 (the "December 21st Order"), the deadline for each of the Companies to file a proposal was extended to February 22, 2019.
4. The principal purpose of these restructuring proceedings is to create a stabilized environment to enable the Companies to (a) complete a sale of their real property at 58 Old Kennedy Road and 20 Thelma Avenue¹, 76 Old Kennedy Road and 82 Old Kennedy Road, in the City of Markham (collectively, the "Real Property") and (b) make a proposal to creditors.
5. On January 28, 2019, the Court issued an Order (the "Sale Approval and Vesting Order") approving three agreements of purchase and sale dated as of December 8, 2018 (as amended on January 15, 2019) (the "APs") between each of the Companies and Cheng Yi Wei, in trust for a company to be incorporated (the "Purchaser"). The transactions (the "Transactions") contemplated by the APs were completed on January 31, 2019, and the Real Property was vested in 5008830 Ontario Inc., the designee of the Purchaser.
6. On February 13, 2019, each of the Companies filed a proposal (each a "Proposal" and collectively, the "Proposals") and Certificates of Filing a Proposal were issued by the Office of the Superintendent of Bankruptcy (Canada) ("OSB") on that date. Copies of the OSB's Certificates and the Proposals are attached as Appendix "A" and "B", respectively.

¹ 58 Old Kennedy Road and 20 Thelma Avenue merged on title.

1.1 Meetings to Consider the Proposals

1. The details of the three meetings of creditors to consider the Proposals to be held pursuant to Section 51(1) of the BIA ("Meetings") are as follows:

Date: March 6, 2019

Time: To be convened consecutively commencing at 2:30 p.m. (EST)²

Location: Bennett Jones LLP
100 King Street West, Suite 3400
Toronto, Ontario

2. As described in greater detail below, to vote on a Proposal, a creditor of the applicable Company must file a proof of claim with the Proposal Trustee prior to the applicable Meeting. Creditors can vote at the Meetings by attending in person or by submitting voting letters to the Proposal Trustee prior to the Meetings. Creditors can also vote by way of proxy and can identify the Proposal Trustee as its proxy. A proof of claim form, proxy and voting letter are provided in Appendix "C". Creditors should read the instructions to understand the voting procedures, including the procedure to register claims with the Proposal Trustee.
3. The Proposal Trustee's Notice of Proposal to Creditors and the Companies' Statements of Affairs are attached as Appendix "D" and "E", respectively.

1.2 Purposes of this Report

1. The purposes of this Report are to:
 - a) summarize the Companies' financial position and the causes of their financial difficulties;
 - b) detail the terms of the Proposals;
 - c) provide the Proposal Trustee's preliminary findings resulting from its review for preferences and transfers at undervalue;
 - d) compare the result for creditors under the Proposals to the result if the Companies were to become bankrupt; and
 - e) provide a recommendation on the Proposals.

1.3 Currency

1. All currency references in this Report are to Canadian dollars.

² The order of the Meetings will be: (1) 58 Old Kennedy; (2) 76 Old Kennedy; and (3) 82 Old Kennedy.

1.4 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Companies' management, their books and records and discussions with management. The Proposal Trustee has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants of Canada Handbook*.
2. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Proposal Trustee in preparing this Report. Any party wishing to place reliance on the Companies' financial information should perform its own diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

2.0 Background

1. The Companies are affiliates of Forme Development Group Inc. and approximately 30 other real estate development companies (collectively, the "Forme Group"). Yuan Hua Wang is believed to be the founder, sole shareholder and director of each entity in the Forme Group, including the Companies.
2. The Forme Group is a commercial and residential real estate development group specializing in low-rise, high-rise, mixed-use and hospitality developments. The Forme Group's projects are primarily located in the Greater Toronto Area, with a few located in Southwestern Ontario.
3. The Companies are single purpose entities that own real estate development properties. The Real Property forms an assembly that is intended to be a single development project.
4. Pursuant to a Court order made on November 30, 2018 (as amended and restated, the "Initial Order"), Forme Group and certain affiliated entities were granted protection under the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended (the "CCAA"), and KSV was appointed monitor. The Companies are not subject to the CCAA proceedings.
5. Pursuant to the December 21st Order, TD Cornerstone Commercial Realty Inc. ("TD") was retained by the Companies to list their real estate properties for sale. The December 21st Order approved a listing agreement with TD and the sale process contemplated thereby ("Sale Process"). The Sale Process launched on January 9, 2019 and the bid deadline was February 7, 2019. The Companies received unsolicited offers from the Purchaser prior to the bid deadline. After negotiation, the offers were accepted, subject to Court approval. The offers were approved by the Court on January 28, 2019. The rationale for accepting the offers in advance of the bid deadline are set out in the Proposal Trustee's Fourth Report to Court dated January 22, 2019 (the "Fourth Report"). Details of the Transactions are also provided in the Fourth Report. Copies of the Fourth Report and other Court materials filed in these proceedings are available on the Proposal Trustee's website at <https://www.ksvadvisory.com/insolvency-cases/case/58-old-kennedy-development-inc-76-old-kennedy-development-inc-82-old-kennedy-development-inc>.

3.0 Causes of Financial Difficulties

1. According to Mr. Wang, the causes of the Forme Group's financial difficulties include the following:
 - a) the Forme Group incurred approximately \$220 million of mortgage debt, which it is unable to service; and
 - b) the Forme Group's liquidity issues resulted from delays in the planning and development of several of its projects. The Forme Group blames the delays on the following factors:
 - delays from municipalities which required the Forme Group to incur substantial legal and consulting fees for re-submission;
 - appeals filed in respect of zoning and planning and development applications;
 - a slowdown in the real estate market in the Greater Toronto Area; and
 - rising interest rates.
2. Some of the Forme Group's properties generated rental revenue; however, the rental revenue is not sufficient to service the mortgage debt on the Forme Group's developments nor to advance the development process.
3. Further details regarding the events leading to the commencement of the Forme Group's CCAA proceedings and/or the Companies' NOI proceedings are provided in the Affidavit of Mr. Wang filed in the Forme Group's CCAA application materials, a copy of which is available on the Proposal Trustee's website.

4.0 Assets

1. The present balance in each of the Companies' bank accounts is as follows:

Entity	Cash on deposit ³ (\$000s)
58 Old Kennedy	4,154
76 Old Kennedy	952
82 Old Kennedy	448
Total	5,554

2. Based on the known claims at this time, the cash on deposit is expected to be sufficient to fully repay all creditors in each of the Companies and to make a distribution to the shareholder.

5.0 Creditors

5.1 Secured Creditors

1. Upon closing of the Transactions, all mortgage debt on the Real Property, as reflected in the table below, was either repaid in full or, in the case of All Season Recycle Inc., assumed by the Purchaser.

³ On closing of the Transactions, the second mortgage, which charged all three properties, was paid by 82 Old Kennedy. Accordingly, the cash balances are subject to a reallocation among the three estates, if required.

Property	Mortgagee	Principal Amount (\$000s)	Priority
58 Old Kennedy Rd.	All Season Recycle Inc.	5,100	First
76 Old Kennedy Rd.	Matthew Castelli	2,800	First
82 Old Kennedy Rd.	Wu's International Group Inc.	8,625	First
58/76/82 Old Kennedy Rd.	Matthew Castelli	5,000	Second on all three parcels

2. As at the date of this Report, the Proposal Trustee is not aware of any creditors with secured claims against the Companies.

5.2 Unsecured Creditors

1. The table below summarizes the Companies' unsecured creditors as reported on their respective Statement of Affairs. Copies of the Companies' creditors' lists are attached as Appendix "F".

Creditor	Company	Amount (\$)
Arcadis Canada Inc.	76 Old Kennedy	4,479
Network Services	76 Old Kennedy	373
Canada Revenue Agency ("CRA")	The Companies	Unknown

2. To identify claims that may not be recorded in the Companies' books and records, the Proposal Trustee:
 - a) arranged for a notice to be published in *The Globe and Mail* on February 20, 2019;
 - b) posted on its website a creditors' package, including a copy of this Report and a Proof of Claim form; and
 - c) sent a creditors' package to unsecured creditors of the Forme Group which are known to the Proposal Trustee, including consultants and other professionals who provided services to the Forme Group.
3. Canada Revenue Agency ("CRA") is likely a creditor of each of the Companies as a result of the gain realized on the sale of the Real Property pursuant to the Transactions. The table below reflects the acquisition price of the Real Property and the sale price of the Real Property under the Transactions.

Property	Date of Acquisition	Purchase Price (\$000s)	Sale Price (\$000s)
58 Old Kennedy	November 30, 2015	6,800	11,000
76 Old Kennedy	December 8, 2015	2,500	4,000
82 Old Kennedy	April 17, 2016	11,500	15,000
Total		20,800	30,000

4. As at the date of this Report, CRA's unsecured claims have not been quantified. The Proposal Trustee is working with the Companies to retain a tax accountant so that the tax obligations of each of the Companies can be calculated and the required tax returns can be filed. The Proposal Trustee has corresponded with CRA in this regard and has provided a copy of the creditors' package to CRA.
5. CRA's claims will need to be quantified prior to any distributions being paid to the Companies' shareholder. The Proposal Trustee will seek an order of the Court before making any distribution to the shareholder.

6.0 The Proposals⁴

1. The following section provides an overview of the terms of the Proposals. Copies of the Proposals are provided in Appendix “B”. Creditors are strongly encouraged to read the Proposals in their entirety prior to voting on the Proposals. This summary is not, and should not be considered, a substitute for reading the Proposals in their entirety. Creditors are encouraged to discuss the terms of the Proposals with their legal counsel.
2. The terms of each Proposal are identical.

6.1 Classes of Creditors

1. There is one class of Creditors for the purposes of considering and voting on each of the Proposals.

6.2 Treatment of Creditor Claims

1. The Proposals contemplate the following treatment of the potential claims:
 - a) Crown Claims, if any, are to be paid in full with related interest and penalties within thirty (30) Business Days following the granting of the Approval Order;
 - b) Preferred Claims, if any, are to be paid in full within thirty (30) Business Days following the granting of the Approval Order; and
 - c) Ordinary Claims are to be paid within five (5) Business Days following the distributions to holders of Crown Claims and/or Preferred Claims, if any. Creditors shall only be entitled to receive up to 100 cents on the dollar of Ordinary Claims.
2. The only Unaffected Claims are Administration Fees and Expenses, being the fees and expenses of the Proposal Trustee, counsel for the Proposal Trustee and counsel to the Companies.
3. Upon receipt of the Approval Order, creditors will be deemed to have released and discharged all claims that arose prior to the Filing Date (February 13, 2019) against the Companies and the Companies' current and former directors, other than those director claims that cannot be released or discharged pursuant to Section 50(14) of the BIA or any other claims against directors in respect of any personal guarantees provided by the directors in respect of the Companies or any other entities owned by such directors.
4. Upon implementation of a Proposal, in exchange for the release of each Claim (other than Unaffected Claims), each Creditor will receive a full and final payment of its Claim.

⁴ Capitalized terms used in this section and the following sections are as defined in the Proposals.

6.3 Proposal Conditions

1. Each Proposal is conditional upon:
 - a) approval of the Proposal by the statutory majorities of Creditors as required under the BIA (described in Section 7 below); and
 - b) the Approval Order being granted.
2. Should the conditions not be met, the Proposal will not be implemented by the applicable Company. If a Proposal is not accepted by the creditors at the Meeting, the applicable Company would become bankrupt in accordance with the provisions of the BIA.

7.0 Acceptance of the Proposals

1. In order for a Proposal to be accepted, at least 66.6% in dollar value of claims and over 50% in number of creditors with claims present and voting, in person or by proxy, must vote in favour of the Proposal.
2. Each Proposal must be approved by the Court after it is accepted by creditors at the Meeting. A Company would automatically be deemed bankrupt should the creditors reject its Proposal or should the Court refuse to approve its Proposal.
3. If a Proposal is approved by the creditors and the Court, distributions are to be made to creditors as soon as possible after the granting of the Approval Order.

8.0 Transfers at Undervalue and Preferential Payments

1. Pursuant to paragraph 7.02 of the Proposals, acceptance of the Proposals shall release any claims pursuant to Sections 95 to 101 of the BIA, which provide remedies to a Trustee if the Companies made preference payments or entered into transactions at undervalue.
2. As part of its statutory duties under the BIA, the Proposal Trustee performed a review of the Companies' bank statements for the one-year period immediately preceding the NOI filing date (the "Review Period").
3. Based on its review of the Companies' bank statements, the Proposal Trustee identified a series of transactions that require further investigation, which are summarized as follows:
 - on January 25, 2018, 82 Old Kennedy received approximately \$2.87 million from the trust account of Yi Zhou (its lawyer); and
 - from January 26, 2018 to February 5, 2018, there were 87 transfers (the "Transfers") out of the account ranging from \$650 to \$900,000. The bank statements do not provide sufficient detail for the Proposal Trustee to identify the recipient or recipients of these transfers.

4. As at the date of this Report, the Proposal Trustee is attempting to obtain further information required to understand the Transfers. Based on preliminary information provided by the Companies, it appears that the Transfers were made to other entities in the Forme Group. The Proposal Trustee intends to continue its review. If the Proposal Trustee identifies any other information on the Transfers prior to the Meetings, the Proposal Trustee will file a supplemental report to the creditors and/or report to creditors at the Meetings.

9.0 Estimated Distributions in the Event of a Bankruptcy

1. Based on the claims filed to date, the estimated CRA liability resulting from the sale of the Real Property and the Companies' books and records, it is anticipated that in a bankruptcy all creditors would receive the same payment as contemplated in the Proposals, being full repayment of their claims.

10.0 Proving Claims of Creditors

1. In order to vote on a Proposal, each creditor will be required to submit a completed proof of claim and proxy or voting letter which must be received by the Proposal Trustee by no later than the commencement of the applicable Meeting to consider the Proposal.
2. For any questions about the Proposals or completing any documents, please contact David Sieradzki of the Proposal Trustee's office at 416-932-6030.

11.0 Recommendation to Creditors

1. The Proposal Trustee recommends that the creditors vote in favour of the Proposals for the following reasons:
 - a) acceptance and implementation of the Proposals is expected to result in full repayment of all creditor claims; and
 - b) there does not appear to be any benefit of a bankruptcy in the circumstances.
2. Provided that one or more of the Proposals are accepted by the creditors at the Meetings scheduled for March 6, 2019, the applicable Companies intend to seek the Court's approval of the applicable Proposals on March 14, 2019. Copies of the Notices of Hearing of Application for Court Approval of Proposals are attached as Appendix "G".

Yours truly,



**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS TRUSTEE UNDER THE PROPOSALS
OF 58 OLD KENNEDY DEVELOPMENT INC.,
76 OLD KENNEDY DEVELOPMENT INC. AND
82 OLD KENNEDY DEVELOPMENT INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2436538
Estate No. 31-2436538

In the Matter of the Proposal of:

58 Old Kennedy Development Inc.

Debtor

KSV KOFMAN INC.

Licensed Insolvency Trustee

Date of Proposal:	February 13, 2019	Security:	\$
Meeting of Creditors:	March 06, 2019, 14:30 100 King St W - Suite 3400 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: February 14, 2019, 11:34

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2436600
Estate No. 31-2436600

In the Matter of the Proposal of:

76 Old Kennedy Development Inc.

Debtor

KSV KOFMAN INC.

Licensed Insolvency Trustee

Date of Proposal:	February 13, 2019	Security:	\$
Meeting of Creditors:	March 06, 2019, 14:30 100 King St W- Suite 3400 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

-- AMENDED --

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: February 14, 2019, 11:39

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2436604
Estate No. 31-2436604

In the Matter of the Proposal of:

82 Old Kennedy Development Inc.

Debtor

KSV KOFMAN INC.

Licensed Insolvency Trustee

Date of Proposal:	February 13, 2019	Security:	\$
Meeting of Creditors:	March 06, 2019, 14:30 100 King St W- Suite 3400 Toronto, Ontario Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: February 14, 2019, 11:42

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

Appendix “B”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY
DEVELOPMENT INC., 76 OLD KENNEDY DEVELOPMENT INC.
AND 82 OLD KENNEDY DEVELOPMENT INC.,
ALL CORPORATIONS INCORPORATED UNDER THE LAWS OF
ONTARIO

PROPOSAL
(58 Old Kennedy Development Inc.)

58 Old Kennedy Development Inc. (the “**Company**”) hereby submits the following Proposal under Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

ARTICLE 1
INTERPRETATION

1.01 Definitions

In this Proposal, capitalized terms have the following meanings:

- (a) “**Administration Fees and Expenses**” means the fees and expenses, including legal fees and disbursements of counsel to the Company, the Trustee and the Trustee’s counsel for and incidental to the Company’s restructuring;
- (b) “**Approval**” means:
 - (i) acceptance of this Proposal by the statutory majority of Creditors entitled to vote thereon in accordance with the relevant provisions of the BIA; and
 - (ii) the approval of this Proposal by the Court by the granting of the Approval Order;
- (c) “**Approval Motion**” means the Trustee’s motion for approval of this Proposal before the Court as more specifically set out in Section 8.01;
- (d) “**Approval Order**” means an order of the Court, *inter alia*, approving the Proposal;
- (e) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (f) “**BIA Proceedings**” means the Company’s proceedings pursuant to the BIA;

- (g) “**Business Day**” means any day other than a Saturday or a Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
- (h) “**Claim**” means a claim provable in bankruptcy against the Company and includes any indebtedness, liability, action, cause of action, suit, debt, due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of the Company to any person, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, by surety or otherwise and whether or not such right is executory in nature, including, without limitation, the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or at the Filing Date and, in respect of a Director Claim but excluding Unaffected Claim;
- (i) “**Company**” has the meaning given to it in the recitals above;
- (j) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (k) “**Court Approval Date**” means the date on which the Court makes the Approval Order;
- (l) “**Creditor**” means any person who holds one or more Claims;
- (m) “**Crown**” means Her Majesty in Right of Canada or of any Province of Canada and their agents;
- (n) “**Crown Claims**” means the Claims of the Crown set out in Section 60(1.1) of the BIA outstanding as at the Filing Date against the Company, if any, payment of which will be made in priority to the payment of the Preferred Claims and to distributions in respect of the Ordinary Claims, and specifically excludes any other claims of the Crown;
- (o) “**Director Claim**” means a Claim against the Directors, that relate to the obligations of the Company where the Directors are by law liable in their capacity as directors for the payment of such obligations and, for greater certainty, excludes any claim against a Director for guarantees he made in respect of any obligations of the Company or any other Company owned directly or indirectly by him;
- (p) “**Directors**” means all former and current officers and directors of the Company as at the Filing Date;
- (q) “**Event of Default**” has the meaning given to it in Article 9 of this Proposal;
- (r) “**Filing Date**” means the date the Trustee filed this Proposal under the BIA;
- (s) “**OBCA**” means the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16;
- (t) “**Ordinary Claims**” means all Claims other than Preferred Claims, Secured Claims and Unaffected Claims;

- (u) **“Preferred Claims”** means the Claims set out in Sections 136(1)(a) to 136(1)(g) of the BIA, outstanding as at the Filing Date against the Company, if any, the payment of which will be made in priority to distributions in respect of the Ordinary Claims;
- (v) **“Property”** means all of the assets, undertakings and property of the Company wherever situate including proceeds of sale from the sale of the Real Property;
- (w) **“Proposal”** means this Proposal made pursuant to the BIA, as further amended or supplemented from time to time;
- (x) **“Real Property”** means the property municipally known as 58 Old Kennedy Road and 20 Thelma Ave, Markham, Ontario;
- (y) **“Trustee”** means KSV Kofman Inc., in its capacity as proposal trustee in this Proposal;
- (z) **“Unaffected Claims”** means the Administration Fees and Expenses;

1.02 Headings

The division of this Proposal, into parts, paragraphs and subparagraphs, and the insertion of headings, is for convenience only and is not to affect the construction or interpretation of this Proposal.

1.03 Business Days

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

1.04 Successors and Assigns

This Proposal will be binding upon and will enure to the benefit of all persons named or referred to herein including, without limitation, all Creditors and their heirs, estate administrators, personal representatives, successors and assigns as the case may be.

ARTICLE 2 PURPOSE AND EFFECT OF THIS PROPOSAL

2.01 Purpose

The purpose of this Proposal is to effect a proposal for the distribution of funds arising from the sale of the Real Property.

2.02 Persons Affected

On and after receipt of the Approval Order, this Proposal will become effective on and, subject to the fulfillment by the Company of its obligations hereunder, shall be binding on the Company, the Creditors and the shareholders of the Company.

2.03 Effect of Proposal Implementation

Effective on receipt of the Approval Order, the Claims of the Creditors shall be discharged, and the Company shall thereupon be released from all Claims of Creditors, other than the obligation

to make payment in the manner and to the extent described in this Proposal or as otherwise described.

2.04 Unaffected Claims

Unaffected Claims will not be affected by this Proposal and are to continue in the ordinary course under their present arrangements.

ARTICLE 3 PREFERRED CLAIMS AND MANDATORY PAYMENTS

3.01 Crown Claims

Within thirty (30) Business Days following the granting of the Approval Order, the Crown Claims, if any, will be paid by the Trustee, in full with related interest and penalties as prescribed by the applicable laws, regulations and decrees.

3.02 Preferred Claims

Within thirty (30) Business Days following the granting of the Approval Order, the Preferred Claims, if any, will be paid in full by the Trustee.

3.03 The Levy

The levy payable to the Superintendent of Bankruptcy under the BIA shall be paid in respect of the Preferred Claims and Ordinary Claims.

ARTICLE 4 ORDINARY CLAIMS

4.01 Within five (5) Business Days following the distributions set out in Article 3, the Trustee shall distribute on a pro rata basis as a final and complete payment of the Ordinary Claims up to a maximum of 100 cents on the dollar of Ordinary Claims.

4.02 Creditors with Ordinary Claims will accept the payment provided for in this Article 4 in complete satisfaction of all their Claims and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the Property or the Company. Upon the making of the payments provided for in this section, any and all such claims and all such liens, certificates or pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without cost to the Company.

ARTICLE 5 VOTING ON THE PROPOSAL

5.01 For the purpose of voting on the Proposal, there shall be one class of creditors.

5.02 In order to be eligible to vote at the meeting of Creditors, each Creditor shall file a proof of claim with the Trustee in accordance with the applicable provisions of the BIA and thereafter

the Trustee shall administer the claims in accordance with the provisions of section 135 of the BIA.

5.03 In order to receive a distribution from the Proposal, a Creditor must submit a Proof of Claim prior to the time the Trustee distributes funds in accordance with the Proposal.

ARTICLE 6 CLAIMS AGAINST DIRECTORS

6.01 In accordance with Section 50(13) of the BIA, effective on receipt of the Approval Order, the Proposal shall be deemed, for all purposes whatsoever, to constitute the complete compromise, release and discharge of all Director Claims which arose before the Filing Date and which relate to obligations of the Company where such Directors are by law liable in their capacity as directors for payment of such obligations, provided however that nothing herein shall release or discharge or be deemed to have released or discharged any Claims against Directors that cannot be released or discharged pursuant to Section 50(14) of the BIA or any other claims against Directors in respect of any personal guarantees provided by the Directors in respect of the Company or any other Companies owned by them.

6.02 Nothing in the Proposal shall be deemed, in any manner whatsoever, to constitute any acknowledgement of any liability or obligations of the Directors.

ARTICLE 7 PREFERENCES, TRANSFERS AT UNDER VALUE, ETC.

7.01 In conformity with Section 101.1 of the BIA, Sections 95-101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue, or the like shall not apply to this Proposal.

7.02 As a result of and in accordance with Section 7.01 hereof and all of the rights, remedies, recourses and Claims described therein:

- (a) all such rights, remedies and recourses and any Claims based thereon shall be completely unavailable to the Trustee or any Creditors against the Company, any of the Company's Property, any other Creditor or any other person whatsoever; and
- (b) the Trustee and all of the Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced such rights, remedies and recourses and any Claims based thereon against the Company, the Company's Property any other Creditor or any other persons.

ARTICLE 8
NOTICE OF PRESENTATION OF APPROVAL MOTION

8.01 Each of the Creditors and the Official Receiver (as defined in and appointed under the BIA) are hereby given notice that, after acceptance of this Proposal by the requisite majority of Creditors in accordance with the relevant provisions of the BIA, the Trustee will present a motion to the Court seeking the Approval Order before the Court on March 14, 2019 at 10:00 o'clock a.m. or as soon as possible thereafter.

ARTICLE 9
EVENT OF DEFAULT

9.01 The non-payment of any amount required to be paid hereunder within ten (10) Business Days of the date on which such payment is due will constitute an event of default for the purposes of Section 62.1 of the BIA and otherwise under this Proposal.

ARTICLE 10
TRUSTEE

10.01 KSV Kofman Inc. is the Trustee under this Proposal. The Trustee is acting solely in its capacity as Trustee under this Proposal, and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities, obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto.

10.02 The Trustee will continue to monitor the Company's cash receipts and disbursements and perform all other obligations until this Proposal is either accepted by the Creditors and implemented or rejected by the Creditors.

10.03 All notices sent by the Trustee or to be sent to the Trustee pursuant to the BIA may be sent by email or ordinary prepaid, first class mail.

ARTICLE 11
CONDITIONS PRECEDENT

11.1 As provided for in the BIA, the arrangements set out in this Proposal will not take effect unless the conditions set forth below are satisfied:

- (a) requisite majority of Creditors have approved the Proposal; and
- (b) the Approval Order has been obtained.

ARTICLE 12
MISCELLANEOUS

12.01 On receipt of the Approval Order, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety, including, without limitation the

terms of the Approval Order. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditors and the Company that has occurred on or prior to the Filing Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

12.02 The payment, compromise or other satisfaction of any Claim under this Proposal will be binding on the Creditors and their respective heirs, executors, administrators, successors and assigns for all purposes.

12.03 The Proposal shall be governed by and construed in accordance with the Laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto this 13th day of February, 2019.

**58 OLD KENNEDY DEVELOPMENT
INC.**

Per: 

We have the authority to bind the Company

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY
DEVELOPMENT INC., 76 OLD KENNEDY DEVELOPMENT INC.
AND 82 OLD KENNEDY DEVELOPMENT INC.,
ALL CORPORATIONS INCORPORATED UNDER THE LAWS OF
ONTARIO

PROPOSAL
(76 Old Kennedy Development Inc.)

76 Old Kennedy Development Inc. (the “**Company**”) hereby submits the following Proposal under Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

ARTICLE 1
INTERPRETATION

1.01 Definitions

In this Proposal, capitalized terms have the following meanings:

- (a) “**Administration Fees and Expenses**” means the fees and expenses, including legal fees and disbursements of counsel to the Company, the Trustee and the Trustee’s counsel for and incidental to the Company’s restructuring;
- (b) “**Approval**” means:
 - (i) acceptance of this Proposal by the statutory majority of Creditors entitled to vote thereon in accordance with the relevant provisions of the BIA; and
 - (ii) the approval of this Proposal by the Court by the granting of the Approval Order;
- (c) “**Approval Motion**” means the Trustee’s motion for approval of this Proposal before the Court as more specifically set out in Section 8.01;
- (d) “**Approval Order**” means an order of the Court, *inter alia*, approving the Proposal;
- (e) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (f) “**BIA Proceedings**” means the Company’s proceedings pursuant to the BIA;

- (g) “**Business Day**” means any day other than a Saturday or a Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
- (h) “**Claim**” means a claim provable in bankruptcy against the Company and includes any indebtedness, liability, action, cause of action, suit, debt, due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of the Company to any person, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, by surety or otherwise and whether or not such right is executory in nature, including, without limitation, the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or at the Filing Date and, in respect of a Director Claim but excluding Unaffected Claim;
- (i) “**Company**” has the meaning given to it in the recitals above;
- (j) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (k) “**Court Approval Date**” means the date on which the Court makes the Approval Order;
- (l) “**Creditor**” means any person who holds one or more Claims;
- (m) “**Crown**” means Her Majesty in Right of Canada or of any Province of Canada and their agents;
- (n) “**Crown Claims**” means the Claims of the Crown set out in Section 60(1.1) of the BIA outstanding as at the Filing Date against the Company, if any, payment of which will be made in priority to the payment of the Preferred Claims and to distributions in respect of the Ordinary Claims, and specifically excludes any other claims of the Crown;
- (o) “**Director Claim**” means a Claim against the Directors, that relate to the obligations of the Company where the Directors are by law liable in their capacity as directors for the payment of such obligations and, for greater certainty, excludes any claim against a Director for guarantees he made in respect of any obligations of the Company or any other Company owned directly or indirectly by him;
- (p) “**Directors**” means all former and current officers and directors of the Company as at the Filing Date;
- (q) “**Event of Default**” has the meaning given to it in Article 9 of this Proposal;
- (r) “**Filing Date**” means the date the Trustee filed this Proposal under the BIA;
- (s) “**OBCA**” means the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16;
- (t) “**Ordinary Claims**” means all Claims other than Preferred Claims, Secured Claims and Unaffected Claims;

- (u) **"Preferred Claims"** means the Claims set out in Sections 136(1)(a) to 136(1)(g) of the BIA, outstanding as at the Filing Date against the Company, if any, the payment of which will be made in priority to distributions in respect of the Ordinary Claims;
- (v) **"Property"** means all of the assets, undertakings and property of the Company wherever situate including proceeds of sale from the sale of the Real Property;
- (w) **"Proposal"** means this Proposal made pursuant to the BIA, as further amended or supplemented from time to time;
- (x) **"Real Property"** means the property municipally known as 64-76 Old Kennedy Road Markham, Ontario;
- (y) **"Trustee"** means KSV Kofman Inc., in its capacity as proposal trustee in this Proposal;
- (z) **"Unaffected Claims"** means the Administration Fees and Expenses;

1.02 Headings

The division of this Proposal, into parts, paragraphs and subparagraphs, and the insertion of headings, is for convenience only and is not to affect the construction or interpretation of this Proposal.

1.03 Business Days

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

1.04 Successors and Assigns

This Proposal will be binding upon and will enure to the benefit of all persons named or referred to herein including, without limitation, all Creditors and their heirs, estate administrators, personal representatives, successors and assigns as the case may be.

ARTICLE 2 PURPOSE AND EFFECT OF THIS PROPOSAL

2.01 Purpose

The purpose of this Proposal is to effect a proposal for the distribution of funds arising from the sale of the Real Property.

2.02 Persons Affected

On and after receipt of the Approval Order, this Proposal will become effective on and, subject to the fulfillment by the Company of its obligations hereunder, shall be binding on the Company, the Creditors and the shareholders of the Company.

2.03 Effect of Proposal Implementation

Effective on receipt of the Approval Order, the Claims of the Creditors shall be discharged, and the Company shall thereupon be released from all Claims of Creditors, other than the obligation

to make payment in the manner and to the extent described in this Proposal or as otherwise described.

2.04 Unaffected Claims

Unaffected Claims will not be affected by this Proposal and are to continue in the ordinary course under their present arrangements.

ARTICLE 3 PREFERRED CLAIMS AND MANDATORY PAYMENTS

3.01 Crown Claims

Within thirty (30) Business Days following the granting of the Approval Order, the Crown Claims, if any, will be paid by the Trustee, in full with related interest and penalties as prescribed by the applicable laws, regulations and decrees.

3.02 Preferred Claims

Within thirty (30) Business Days following the granting of the Approval Order, the Preferred Claims, if any, will be paid in full by the Trustee.

3.03 The Levy

The levy payable to the Superintendent of Bankruptcy under the BIA shall be paid in respect of the Preferred Claims and Ordinary Claims.

ARTICLE 4 ORDINARY CLAIMS

4.01 Within five (5) Business Days following the distributions set out in Article 3, the Trustee shall distribute on a pro rata basis as a final and complete payment of the Ordinary Claims up to a maximum of 100 cents on the dollar of Ordinary Claims.

4.02 Creditors with Ordinary Claims will accept the payment provided for in this Article 4 in complete satisfaction of all their Claims and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the Property or the Company. Upon the making of the payments provided for in this section, any and all such claims and all such liens, certificates or pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without cost to the Company.

ARTICLE 5 VOTING ON THE PROPOSAL

5.01 For the purpose of voting on the Proposal, there shall be one class of creditors.

5.02 In order to be eligible to vote at the meeting of Creditors, each Creditor shall file a proof of claim with the Trustee in accordance with the applicable provisions of the BIA and thereafter

the Trustee shall administer the claims in accordance with the provisions of section 135 of the BIA.

5.03 In order to receive a distribution from the Proposal, a Creditor must submit a Proof of Claim prior to the time the Trustee distributes funds in accordance with the Proposal.

ARTICLE 6 CLAIMS AGAINST DIRECTORS

6.01 In accordance with Section 50(13) of the BIA, effective on receipt of the Approval Order, the Proposal shall be deemed, for all purposes whatsoever, to constitute the complete compromise, release and discharge of all Director Claims which arose before the Filing Date and which relate to obligations of the Company where such Directors are by law liable in their capacity as directors for payment of such obligations, provided however that nothing herein shall release or discharge or be deemed to have released or discharged any Claims against Directors that cannot be released or discharged pursuant to Section 50(14) of the BIA or any other claims against Directors in respect of any personal guarantees provided by the Directors in respect of the Company or any other Companies owned by them.

6.02 Nothing in the Proposal shall be deemed, in any manner whatsoever, to constitute any acknowledgement of any liability or obligations of the Directors.

ARTICLE 7 PREFERENCES, TRANSFERS AT UNDER VALUE, ETC.

7.01 In conformity with Section 101.1 of the BIA, Sections 95-101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue, or the like shall not apply to this Proposal.

7.02 As a result of and in accordance with Section 7.01 hereof and all of the rights, remedies, recourses and Claims described therein:

- (a) all such rights, remedies and recourses and any Claims based thereon shall be completely unavailable to the Trustee or any Creditors against the Company, any of the Company's Property, any other Creditor or any other person whatsoever; and
- (b) the Trustee and all of the Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced such rights, remedies and recourses and any Claims based thereon against the Company, the Company's Property any other Creditor or any other persons.

ARTICLE 8
NOTICE OF PRESENTATION OF APPROVAL MOTION

8.01 Each of the Creditors and the Official Receiver (as defined in and appointed under the BIA) are hereby given notice that, after acceptance of this Proposal by the requisite majority of Creditors in accordance with the relevant provisions of the BIA, the Trustee will present a motion to the Court seeking the Approval Order before the Court on March 14, 2019 at 10:00 o'clock a.m. or as soon as possible thereafter.

ARTICLE 9
EVENT OF DEFAULT

9.01 The non-payment of any amount required to be paid hereunder within ten (10) Business Days of the date on which such payment is due will constitute an event of default for the purposes of Section 62.1 of the BIA and otherwise under this Proposal.

ARTICLE 10
TRUSTEE

10.01 KSV Kofman Inc. is the Trustee under this Proposal. The Trustee is acting solely in its capacity as Trustee under this Proposal, and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities, obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto.

10.02 The Trustee will continue to monitor the Company's cash receipts and disbursements and perform all other obligations until this Proposal is either accepted by the Creditors and implemented or rejected by the Creditors.

10.03 All notices sent by the Trustee or to be sent to the Trustee pursuant to the BIA may be sent by email or ordinary prepaid, first class mail.

ARTICLE 11
CONDITIONS PRECEDENT

11.1 As provided for in the BIA, the arrangements set out in this Proposal will not take effect unless the conditions set forth below are satisfied:

- (a) requisite majority of Creditors have approved the Proposal; and
- (b) the Approval Order has been obtained.

ARTICLE 12
MISCELLANEOUS

12.01 On receipt of the Approval Order, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety, including, without limitation the

terms of the Approval Order. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditors and the Company that has occurred on or prior to the Filing Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

12.02 The payment, compromise or other satisfaction of any Claim under this Proposal will be binding on the Creditors and their respective heirs, executors, administrators, successors and assigns for all purposes.

12.03 The Proposal shall be governed by and construed in accordance with the Laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto this 13th day of February, 2019.

**76 OLD KENNEDY DEVELOPMENT
INC.**

Per: 

We have the authority to bind the Company

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

IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY
DEVELOPMENT INC., 76 OLD KENNEDY DEVELOPMENT INC.
AND 82 OLD KENNEDY DEVELOPMENT INC.,
ALL CORPORATIONS INCORPORATED UNDER THE LAWS OF
ONTARIO

**PROPOSAL
(82 Old Kennedy Development Inc.)**

82 Old Kennedy Development Inc. (the “**Company**”) hereby submits the following Proposal under Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

**ARTICLE 1
INTERPRETATION**

1.01 Definitions

In this Proposal, capitalized terms have the following meanings:

- (a) “**Administration Fees and Expenses**” means the fees and expenses, including legal fees and disbursements of counsel to the Company, the Trustee and the Trustee’s counsel for and incidental to the Company’s restructuring;
- (b) “**Approval**” means:
 - (i) acceptance of this Proposal by the statutory majority of Creditors entitled to vote thereon in accordance with the relevant provisions of the BIA; and
 - (ii) the approval of this Proposal by the Court by the granting of the Approval Order;
- (c) “**Approval Motion**” means the Trustee’s motion for approval of this Proposal before the Court as more specifically set out in Section 8.01;
- (d) “**Approval Order**” means an order of the Court, *inter alia*, approving the Proposal;
- (e) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (f) “**BIA Proceedings**” means the Company’s proceedings pursuant to the BIA;

- (g) **"Business Day"** means any day other than a Saturday or a Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
- (h) **"Claim"** means a claim provable in bankruptcy against the Company and includes any indebtedness, liability, action, cause of action, suit, debt, due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of the Company to any person, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, by surety or otherwise and whether or not such right is executory in nature, including, without limitation, the right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or at the Filing Date and, in respect of a Director Claim but excluding Unaffected Claim;
- (i) **"Company"** has the meaning given to it in the recitals above;
- (j) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- (k) **"Court Approval Date"** means the date on which the Court makes the Approval Order;
- (l) **"Creditor"** means any person who holds one or more Claims;
- (m) **"Crown"** means Her Majesty in Right of Canada or of any Province of Canada and their agents;
- (n) **"Crown Claims"** means the Claims of the Crown set out in Section 60(1.1) of the BIA outstanding as at the Filing Date against the Company, if any, payment of which will be made in priority to the payment of the Preferred Claims and to distributions in respect of the Ordinary Claims, and specifically excludes any other claims of the Crown;
- (o) **"Director Claim"** means a Claim against the Directors, that relate to the obligations of the Company where the Directors are by law liable in their capacity as directors for the payment of such obligations and, for greater certainty, excludes any claim against a Director for guarantees he made in respect of any obligations of the Company or any other Company owned directly or indirectly by him;
- (p) **"Directors"** means all former and current officers and directors of the Company as at the Filing Date;
- (q) **"Event of Default"** has the meaning given to it in Article 9 of this Proposal;
- (r) **"Filing Date"** means the date the Trustee filed this Proposal under the BIA;
- (s) **"OBCA"** means the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16;
- (t) **"Ordinary Claims"** means all Claims other than Preferred Claims, Secured Claims and Unaffected Claims;

- (u) **“Preferred Claims”** means the Claims set out in Sections 136(1)(a) to 136(1)(g) of the BIA, outstanding as at the Filing Date against the Company, if any, the payment of which will be made in priority to distributions in respect of the Ordinary Claims;
- (v) **“Property”** means all of the assets, undertakings and property of the Company wherever situate including proceeds of sale from the sale of the Real Property;
- (w) **“Proposal”** means this Proposal made pursuant to the BIA, as further amended or supplemented from time to time;
- (x) **“Real Property”** means the property municipally known as 82 Old Kennedy Road Markham, Ontario;
- (y) **“Trustee”** means KSV Kofman Inc., in its capacity as proposal trustee in this Proposal;
- (z) **“Unaffected Claims”** means the Administration Fees and Expenses;

1.02 Headings

The division of this Proposal, into parts, paragraphs and subparagraphs, and the insertion of headings, is for convenience only and is not to affect the construction or interpretation of this Proposal.

1.03 Business Days

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

1.04 Successors and Assigns

This Proposal will be binding upon and will enure to the benefit of all persons named or referred to herein including, without limitation, all Creditors and their heirs, estate administrators, personal representatives, successors and assigns as the case may be.

ARTICLE 2 PURPOSE AND EFFECT OF THIS PROPOSAL

2.01 Purpose

The purpose of this Proposal is to effect a proposal for the distribution of funds arising from the sale of the Real Property.

2.02 Persons Affected

On and after receipt of the Approval Order, this Proposal will become effective on and, subject to the fulfillment by the Company of its obligations hereunder, shall be binding on the Company, the Creditors and the shareholders of the Company.

2.03 Effect of Proposal Implementation

Effective on receipt of the Approval Order, the Claims of the Creditors shall be discharged, and the Company shall thereupon be released from all Claims of Creditors, other than the obligation

to make payment in the manner and to the extent described in this Proposal or as otherwise described.

2.04 Unaffected Claims

Unaffected Claims will not be affected by this Proposal and are to continue in the ordinary course under their present arrangements.

ARTICLE 3 PREFERRED CLAIMS AND MANDATORY PAYMENTS

3.01 Crown Claims

Within thirty (30) Business Days following the granting of the Approval Order, the Crown Claims, if any, will be paid by the Trustee, in full with related interest and penalties as prescribed by the applicable laws, regulations and decrees.

3.02 Preferred Claims

Within thirty (30) Business Days following the granting of the Approval Order, the Preferred Claims, if any, will be paid in full by the Trustee.

3.03 The Levy

The levy payable to the Superintendent of Bankruptcy under the BIA shall be paid in respect of the Preferred Claims and Ordinary Claims.

ARTICLE 4 ORDINARY CLAIMS

4.01 Within five (5) Business Days following the distributions set out in Article 3, the Trustee shall distribute on a pro rata basis as a final and complete payment of the Ordinary Claims up to a maximum of 100 cents on the dollar of Ordinary Claims.

4.02 Creditors with Ordinary Claims will accept the payment provided for in this Article 4 in complete satisfaction of all their Claims and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims will have no effect in law or in equity against the Property or the Company. Upon the making of the payments provided for in this section, any and all such claims and all such liens, certificates or pending litigation, executions or other similar charges or actions will be discharged, dismissed or vacated without cost to the Company.

ARTICLE 5 VOTING ON THE PROPOSAL

5.01 For the purpose of voting on the Proposal, there shall be one class of creditors.

5.02 In order to be eligible to vote at the meeting of Creditors, each Creditor shall file a proof of claim with the Trustee in accordance with the applicable provisions of the BIA and thereafter

the Trustee shall administer the claims in accordance with the provisions of section 135 of the BIA.

5.03 In order to receive a distribution from the Proposal, a Creditor must submit a Proof of Claim prior to the time the Trustee distributes funds in accordance with the Proposal.

ARTICLE 6 CLAIMS AGAINST DIRECTORS

6.01 In accordance with Section 50(13) of the BIA, effective on receipt of the Approval Order, the Proposal shall be deemed, for all purposes whatsoever, to constitute the complete compromise, release and discharge of all Director Claims which arose before the Filing Date and which relate to obligations of the Company where such Directors are by law liable in their capacity as directors for payment of such obligations, provided however that nothing herein shall release or discharge or be deemed to have released or discharged any Claims against Directors that cannot be released or discharged pursuant to Section 50(14) of the BIA or any other claims against Directors in respect of any personal guarantees provided by the Directors in respect of the Company or any other Companies owned by them.

6.02 Nothing in the Proposal shall be deemed, in any manner whatsoever, to constitute any acknowledgement of any liability or obligations of the Directors.

ARTICLE 7 PREFERENCES, TRANSFERS AT UNDER VALUE, ETC.

7.01 In conformity with Section 101.1 of the BIA, Sections 95-101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue, or the like shall not apply to this Proposal.

7.02 As a result of and in accordance with Section 7.01 hereof and all of the rights, remedies, recourses and Claims described therein:

- (a) all such rights, remedies and recourses and any Claims based thereon shall be completely unavailable to the Trustee or any Creditors against the Company, any of the Company's Property, any other Creditor or any other person whatsoever; and
- (b) the Trustee and all of the Creditors shall be deemed, for all purposes whatsoever, to have irrevocably and unconditionally waived and renounced such rights, remedies and recourses and any Claims based thereon against the Company, the Company's Property any other Creditor or any other persons.

ARTICLE 8
NOTICE OF PRESENTATION OF APPROVAL MOTION

8.01 Each of the Creditors and the Official Receiver (as defined in and appointed under the BIA) are hereby given notice that, after acceptance of this Proposal by the requisite majority of Creditors in accordance with the relevant provisions of the BIA, the Trustee will present a motion to the Court seeking the Approval Order before the Court on March 14, 2019 at 10:00 o'clock a.m. or as soon as possible thereafter.

ARTICLE 9
EVENT OF DEFAULT

9.01 The non-payment of any amount required to be paid hereunder within ten (10) Business Days of the date on which such payment is due will constitute an event of default for the purposes of Section 62.1 of the BIA and otherwise under this Proposal.

ARTICLE 10
TRUSTEE

10.01 KSV Kofman Inc. is the Trustee under this Proposal. The Trustee is acting solely in its capacity as Trustee under this Proposal, and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business, liabilities, obligations of the Company, whether existing as at the Filing Date or incurred subsequent thereto.

10.02 The Trustee will continue to monitor the Company's cash receipts and disbursements and perform all other obligations until this Proposal is either accepted by the Creditors and implemented or rejected by the Creditors.

10.03 All notices sent by the Trustee or to be sent to the Trustee pursuant to the BIA may be sent by email or ordinary prepaid, first class mail.

ARTICLE 11
CONDITIONS PRECEDENT

11.1 As provided for in the BIA, the arrangements set out in this Proposal will not take effect unless the conditions set forth below are satisfied:

- (a) requisite majority of Creditors have approved the Proposal; and
- (b) the Approval Order has been obtained.

ARTICLE 12
MISCELLANEOUS

12.01 On receipt of the Approval Order, all Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety, including, without limitation the

terms of the Approval Order. For greater certainty, each such Creditor will be deemed to have waived any default by the Company in any provision, express or implied, in any agreement existing between the Creditors and the Company that has occurred on or prior to the Filing Date, and to have agreed that, to the extent that there is any conflict between the provisions of any such agreement and the provisions of the Proposal, the provisions of this Proposal take precedence and priority and the provisions of any such agreement are amended accordingly.

12.02 The payment, compromise or other satisfaction of any Claim under this Proposal will be binding on the Creditors and their respective heirs, executors, administrators, successors and assigns for all purposes.

12.03 The Proposal shall be governed by and construed in accordance with the Laws of Ontario and the federal laws of Canada applicable therein. Any disputes as to the interpretation or application of the Proposal and all proceedings taken in connection with the Proposal shall be subject to the exclusive jurisdiction of the Court.

Dated at Toronto this 13th day of February, 2019.

**82 OLD KENNEDY DEVELOPMENT
INC.**

Per:



We have the authority to bind the Company

Appendix “C”



Bankruptcy and Insolvency Act ("Act")

Proof of Claim

(Section 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

Creditor Name: _____ Telephone: _____
Address: _____ Fax: _____
Account No.: _____ Email: _____

In the matter of the bankruptcy (or the proposal, or the receivership) of _____ (name of debtor) of _____ (city and province) and the claim of _____, creditor.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor)).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of bankruptcy, (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the _____ day of _____, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

☐ **A. UNSECURED CLAIM OF \$ _____**

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and

(Check appropriate description.)

☐ Regarding the amount of \$ _____, I do not claim a right to a priority.

☐ Regarding the amount of \$ _____, I claim a right to a priority under Section 136 of the Act.

(Set out on an attached sheet details to support priority claim.)

☐ **B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____**

That I hereby make a claim under Subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

☐ **C. SECURED CLAIM OF \$ _____**

That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

☐ **D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____**

That I hereby make a claim under Subsection 81.2(1) of the Act for the unpaid amount of \$ _____ (Attach a copy of sales agreement and delivery receipts.)

☐ **E. CLAIM BY WAGE EARNER OF \$ _____**

☐ That I hereby make a claim under Subsection 81.3(8) of the Act in the amount of \$ _____

☐ That I hereby make a claim under Subsection 81.4(8) of the Act in the amount of \$ _____

☐ **F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____**

☐ That I hereby make a claim under Subsection 81.5 of the Act in the amount of \$ _____

☐ That I hereby make a claim under Subsection 81.6 of the Act in the amount of \$ _____

☐ **G. CLAIM AGAINST DIRECTOR \$ _____**

(To be completed when a proposal provides for the compromise of claims against directors.)

That I hereby make a claim under Subsection 50(13) of the Act, particulars of which are set out on the attached sheet(s). (Give full particulars of the claim, including the calculations upon which the claim is based.)

☐ **H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____**

That I hereby make a claim as a customer for net equity as contemplated by Section 262 of the Act, particulars of which are set out on the attached sheet(s).

(Give full particulars of the claim, including the calculations upon which the claim is based.)

Bankruptcy and Insolvency Act ("Act")

Proof of Claim

(Section 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of Section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.
6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of Subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of Section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Subsection 2(1) of the Act: (Provide details of payments, credits and transfers at undervalue.)
7. (Applicable only in the case of the bankruptcy of an individual.)
- ☐ Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under Section 68 of the Act, I request to be informed, pursuant to Paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- ☐ I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to Subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____, _____

Witness

Creditor

NOTE:

If an affidavit is attached, it must have been made before a person qualified to take affidavits.

WARNINGS:

A trustee may, pursuant to Subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.

Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

DIRECTIONS FOR COMPLETION OF THIS FORM ARE ON THE REVERSE SIDE

GENERAL PROXY

(Paragraphs 51(1)(e) and 66.15(3)(b) and Subsection 102(2))

In the matter of the bankruptcy (or proposal) of _____ a bankrupt (or an insolvent)

I (or We), _____ (name of creditor), of _____ (name of city, town or village), a creditor in the above matter, hereby appoint _____, of _____, to be my (or our) general proxy in the above matter except as to the receipt of dividends, with (or without) power to appoint another general proxy in his or her place.

DATED AT _____ this _____ day of _____, _____

Witness

Individual Creditor OR Name of Corporate Creditor

Witness

Per:
Name and Title of Signing Officer

CHECKLIST FOR PROOF OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

Under Section 109 of the Bankruptcy and Insolvency Act only those creditors who have filed their claims in the proper form with the trustee, before the time appointed for the meeting, are entitled to vote at the meeting.

Section 124 states that every creditor shall prove his claim and the creditor who does not prove his claim is not entitled to share in any distribution that may be made.

General

- The signature of a witness is required;
- The claim must be signed personally by the individual completing this declaration;
- Provide the complete address where all notices or correspondence are to be forwarded;
- The amount of the statement of account must correspond to the amount indicated on the proof of claim.

Notes:

- It is permissible to file a proof of claim by fax.
- A creditor may vote either in person or by proxy at any meeting of creditors if the proof of claim is filed with the trustee prior to the time appointed for the meeting.
- A quorum at any meeting of creditors consists of at least one creditor with a valid proof of claim in attendance in person or by proxy.
- A corporation may vote through an authorized agent or mandatary at meetings of creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.
- A creditor who is participating in any distribution from an estate must have filed a proof of claim prior to the distribution being declared.
- In the case of an individual bankrupt, by checking the appropriate box or boxes at the bottom of the proof of claim form, you may request that the trustee advise you of any material change in the financial situation of the bankrupt or the amount the bankrupt is required to pay into the bankruptcy, and a copy of the trustee's report on the discharge of the bankrupt.

Paragraph 1

- Creditor must state full and complete legal name of company or firm;
- If the individual completing the proof of claim is not the creditor himself, he/she must state his/her position or title.

Paragraph 3

- The amount owing must be set out in paragraph 3.
- A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward.

Paragraph 4

- **Paragraph A** applies to *ordinary unsecured claims*. In addition to recording the amount of the claim, please indicate whether the claim has a priority pursuant to Section 136 of the Act.
- **Paragraph B** applies to lessor claims in a commercial proposal. Please ensure that the claim applies to a commercial proposal and, if so, include the full particulars of the claim.
- **Paragraph C** applies to *secured claims*. Please indicate the dollar value of the security and attach copies of the security document. In addition, please attach copies of the security registration documents, where appropriate.
- **Paragraph D** applies to *inventory claims of farmers, fishermen and aquaculturists*. Please note that such claims apply only to inventory supplied from farmers, fishermen and aquaculturists within 15 (fifteen) days of the date of bankruptcy. In addition, please attach copies of any applicable sales agreements and delivery slips.
- **Paragraph E** applies to *claims by wage earners*. Please note that such claims apply only for unpaid wages owed upon the bankruptcy of an employer or when the employer becomes subject to a receivership.
- **Paragraph F** applies to *claims by employees for unpaid amounts regarding pension plans*. Please note that such claims apply only to unremitted pension contributions outstanding when the sponsoring employer becomes bankrupt or is subject to a receivership.
- **Paragraph G** applies to *claims against directors*. Please note that such claims apply only to directors of corporations that have filed a commercial proposal to creditors that includes a compromise of statutory claims against directors.
- **Paragraph H** applies to *claims of customers of a bankrupt securities firm*. Please ensure that the claim of the customer is for net equity and, if so, include the full particulars of the claim, including the calculations upon which the claim is based.

Paragraph 5

- All claimants must indicate whether or not they are related to the debtor, as defined in Section 4 of the Act, or dealt with the debtor in a non-arm's-length manner.

Paragraph 6

- All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - a) Within the three (3) months preceding the initial bankruptcy event (including the bankruptcy or the proposal), in the case where the claimant and the debtor are not related;
 - b) Within the twelve (12) months preceding the initial bankruptcy event (including the bankruptcy or the proposal), in the case where the claimant and the debtor were not dealing at arm's length.

APPOINTING PROXY

Note: The Act permits a proof of claim to be made by a duly authorized representative of a creditor but, in the absence of a properly executed proxy, does not give such an individual the power to vote at the first meeting of creditors nor to act as the proxyholder of the creditors.

General

- In order for duly authorized persons to have a right to vote, they must themselves be creditors or be the holders of a properly executed proxy. The name of the creditor must appear in the proxy.

Notes:

- A creditor may vote either in person or by proxyholder.
- A proxy may be filed at any time prior to a vote at a meeting of creditors.
- A proxy can be filed with the trustee in person, by mail or by any form of telecommunication.
- A proxy does not have to be under the seal of a corporation unless required by its incorporating documents or its bylaws.
- The individual designated in a proxy cannot be substituted unless the proxy provides for a power of substitution.
- Bankrupts/debtors may not be appointed as proxyholders to vote at any meeting of their creditors.
- The trustee may be appointed as a proxyholder for any creditor.
- A corporation cannot be designated as a proxyholder.

IN THE MATTER OF THE PROPOSAL OF
58 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM,
IN THE PROVINCE OF ONTARIO

Form 37

VOTING LETTER
(Paragraph 51(1)(f) of the *Bankruptcy and Insolvency Act*.)

I/we, _____, creditor,
of _____,

a creditor in the above matter for the sum of \$ _____, hereby request the trustee
acting with respect to the Proposal of 58 Old Kennedy Development Inc. to record my vote:

PLEASE TICK OFF OR INDICATE YOUR VOTE AS FOLLOWS:

- ☐ **FOR** the acceptance of the Proposal, as made on the 13th day of February, 2019.
- ☐ **AGAINST** the acceptance of the Proposal, as made on the 13th day of February, 2019.

DATED at _____, this _____ day of _____, 2019.

Signature of Witness

*Signature of individual creditor or person
signing on behalf of corporate creditor*

Print name of Witness

*Print name of individual creditor or name and
title of person signing on behalf of corporate
creditor*

IN THE MATTER OF THE PROPOSAL OF
76 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM,
IN THE PROVINCE OF ONTARIO

Form 37

VOTING LETTER
(Paragraph 51(1)(f) of the *Bankruptcy and Insolvency Act*.)

I/we, _____, creditor,

of _____,

a creditor in the above matter for the sum of \$ _____, hereby request the trustee acting with respect to the Proposal of 76 Old Kennedy Development Inc. to record my vote:

PLEASE TICK OFF OR INDICATE YOUR VOTE AS FOLLOWS:

- ☐ **FOR** the acceptance of the Proposal, as made on the 13th day of February, 2019.
- ☐ **AGAINST** the acceptance of the Proposal, as made on the 13th day of February, 2019.

DATED at _____, this _____ day of _____, 2019.

Signature of Witness

*Signature of individual creditor or person
signing on behalf of corporate creditor*

Print name of Witness

*Print name of individual creditor or name and
title of person signing on behalf of corporate
creditor*

IN THE MATTER OF THE PROPOSAL OF
82 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM,
IN THE PROVINCE OF ONTARIO

Form 37

VOTING LETTER
(Paragraph 51(1)(f) of the *Bankruptcy and Insolvency Act*.)

I/we, _____, creditor,

of _____,

a creditor in the above matter for the sum of \$ _____, hereby request the trustee acting with respect to the Proposal of 82 Old Kennedy Development Inc. to record my vote:

PLEASE TICK OFF OR INDICATE YOUR VOTE AS FOLLOWS:

- ☐ **FOR** the acceptance of the Proposal, as made on the 13th day of February, 2019.
- ☐ **AGAINST** the acceptance of the Proposal, as made on the 13th day of February, 2019.

DATED at _____, this _____ day of _____, 2019.

Signature of Witness

*Signature of individual creditor or person
signing on behalf of corporate creditor*

Print name of Witness

*Print name of individual creditor or name and
title of person signing on behalf of corporate
creditor*

Appendix “D”



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

Estate File No: 31-2436538

**IN THE MATTER OF THE PROPOSAL OF
58 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM, IN THE PROVINCE OF ONTARIO**

**NOTICE OF PROPOSAL TO CREDITORS
(Subsection 51)**

Take notice that:

1. 58 Old Kennedy Development Inc. (the "Company") has lodged with KSV Kofman Inc. ("KSV" or the "Proposal Trustee") a Proposal pursuant to the *Bankruptcy and Insolvency Act* ("BIA").
2. A general meeting of creditors to consider the Proposal will be held on the 6th day of March, 2019 at 2:30 p.m., at the law offices of Bennett Jones LLP, 100 King Street West, Suite 3400, Toronto, Ontario.
3. Enclosed are copies of:
 - The Proposal;
 - Condensed statement of the Company's assets and liabilities;
 - List of the creditors affected by the Proposal whose claims amount to \$250 or more;
 - Proof of Claim form and proxy; and
 - Voting Letter.
4. To be entitled to vote at the meeting, proofs of claim, proxies (where necessary) and voting letters intended to be used at the meeting must be lodged with the Proposal Trustee prior to the commencement of the meeting.
5. Creditors must prove their claims against the Company in order to share in any distribution of the proceeds realized from the estate.

DATED at Toronto, Ontario, this 22nd day of February, 2019.

**KSV KOFMAN INC.
LICENSED INSOLVENCY TRUSTEE**



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

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Estate File No: 31-2436600

**IN THE MATTER OF THE PROPOSAL OF
76 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM, IN THE PROVINCE OF ONTARIO**

**NOTICE OF PROPOSAL TO CREDITORS
(Subsection 51)**

Take notice that:

1. 76 Old Kennedy Development Inc. (the "Company") has lodged with KSV Kofman Inc. ("KSV" or the "Proposal Trustee") a Proposal pursuant to the *Bankruptcy and Insolvency Act* ("BIA").
2. A general meeting of creditors to consider the Proposal will be held on the 6th day of March, 2019 at 2:30 p.m., at the law offices of Bennett Jones LLP, 100 King Street West, Suite 3400, Toronto, Ontario.
3. Enclosed are copies of:
 - The Proposal;
 - Condensed statement of the Company's assets and liabilities;
 - List of the creditors affected by the Proposal whose claims amount to \$250 or more;
 - Proof of Claim form and proxy; and
 - Voting Letter.
4. To be entitled to vote at the meeting, proofs of claim, proxies (where necessary) and voting letters intended to be used at the meeting must be lodged with the Proposal Trustee prior to the commencement of the meeting.
5. Creditors must prove their claims against the Company in order to share in any distribution of the proceeds realized from the estate.

DATED at Toronto, Ontario, this 22nd day of February, 2019.

KSV KOFMAN INC.

LICENSED INSOLVENCY TRUSTEE



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

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F +1 416 932 6266

ksvadvisory.com

Estate File No: 31-2436604

**IN THE MATTER OF THE PROPOSAL OF
82 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM, IN THE PROVINCE OF ONTARIO**

**NOTICE OF PROPOSAL TO CREDITORS
(Subsection 51)**

Take notice that:

1. 82 Old Kennedy Development Inc. (the "Company") has lodged with KSV Kofman Inc. ("KSV" or the "Proposal Trustee") a Proposal pursuant to the *Bankruptcy and Insolvency Act* ("BIA").
2. A general meeting of creditors to consider the Proposal will be held on the 6th day of March, 2019 at 2:30 p.m., at the law offices of Bennett Jones LLP, 100 King Street West, Suite 3400, Toronto, Ontario.
3. Enclosed are copies of:
 - The Proposal;
 - Condensed statement of the Company's assets and liabilities;
 - List of the creditors affected by the Proposal whose claims amount to \$250 or more;
 - Proof of Claim form and proxy; and
 - Voting Letter.
4. To be entitled to vote at the meeting, proofs of claim, proxies (where necessary) and voting letters intended to be used at the meeting must be lodged with the Proposal Trustee prior to the commencement of the meeting.
5. Creditors must prove their claims against the Company in order to share in any distribution of the proceeds realized from the estate.

DATED at Toronto, Ontario, this 22nd day of February, 2019.

KSV KOFMAN INC.

LICENSED INSOLVENCY TRUSTEE

Appendix “E”

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2436538
Estate No. 31-2436538

☒ Original ☐ Amended

Form 78

Statement of Affairs (Business Proposal) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
58 Old Kennedy Development Inc.
of the City of Markham, in the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 13th day of February 2019. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES

(as stated and estimated by the officer)

1. Unsecured creditors as per list "A"	1.00
Balance of secured claims as per list "B"	0.00
Total unsecured creditors	1.00
2. Secured creditors as per list "B"	0.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	1.00
Surplus	4,129,090.75

ASSETS

(as stated and estimated by the officer)

1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
Doubtful	0.00
Bad	0.00
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F" ..	0.00
5. Deposits in financial institutions	0.00
6. Cash	4,129,091.75
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRI's, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	0.00
If debtor is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	4,129,091.75
Deficiency	NIL

I, Yuan Hua Wang, Officer of 58 Old Kennedy Development Inc., do swear (or solemnly declare) that the above statement and the attached lists are to the best of my knowledge, based on the information available to me, a full, true and complete statement of the affairs of 58 Old Kennedy Development Inc. on February 13, 2019, and fully disclose all of its property of every description in its possession or that may devolve on it in accordance with Section 67 of the *Bankruptcy and Insolvency Act*.

Sworn (or solemnly declared) before me at the City
of Toronto, in the Province of Ontario
this 13th day of February, 2019.

A Commissioner, etc.

Katie Marie Parent,
a Commissioner, etc., Province of Ontario.
for Goldman Sloan Nash & Haber LLP,
Barristers and Solicitors.
Expires June 6, 2021.

Yuan Hua Wang

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2436600
Estate No. 31-2436600

☒ Original ☐ Amended

Form 78

Statement of Affairs (Business Proposal) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
76 Old Kennedy Development Inc.
of the City of Markham, in the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 13th day of February 2019. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES

(as stated and estimated by the officer)

1. Unsecured creditors as per list "A"	4,853.00
Balance of secured claims as per list "B"	0.00
Total unsecured creditors	4,853.00
2. Secured creditors as per list "B"	0.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	4,853.00
Surplus	946,885.18

ASSETS

(as stated and estimated by the officer)

1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
Doubtful	0.00
Bad	0.00
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
5. Deposits in financial institutions	0.00
6. Cash	951,738.18
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRI's, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	0.00

If debtor is a corporation, add:

Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	951,738.18
Deficiency	NIL

I, Yuan Hua Wang, Officer of 76 Old Kennedy Development Inc., do swear (or solemnly declare) that the above statement and the attached lists are to the best of my knowledge, based on the information available to me, a full, true and complete statement of the affairs of 76 Old Kennedy Development Inc. on February 13, 2019, and fully disclose all of its property of every description in its possession or that may devolve on it in accordance with Section 67 of the *Bankruptcy and Insolvency Act*.

Sworn (or solemnly declared) before me at the City
of Toronto, in the Province of Ontario
this 13th day of February, 2019.

A Commissioner, etc.

Katie Marie Parent,
a Commissioner, etc., Province of Ontario,
for Goldman Sloan Nash & Haber LLP,
Barristers and Solicitors.
Expires June 6, 2021.

Yuan Hua Wang

District of: Ontario
Division No. 09 - Toronto
Court No. 31-2436604
Estate No. 31-2436604

☒ Original ☐ Amended

Form 78
Statement of Affairs (Business Proposal) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of
82 Old Kennedy Development Inc.
of the City of Markham, in the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 13th day of February 2019. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	1.00
Balance of secured claims as per list "B"	0.00
Total unsecured creditors	1.00
2. Secured creditors as per list "B"	0.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	1.00
Surplus	447,965.65


ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
Doubtful	0.00
Bad	0.00
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F" ..	0.00
5. Deposits in financial institutions	0.00
6. Cash	447,965.65
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	0.00
If debtor is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	447,965.65
Deficiency	NIL

I, Yuan Hua Wang, Officer of 82 Old Kennedy Development Inc., do swear (or solemnly declare) that the above statement and the attached lists are to the best of my knowledge, based on the information available to me, a full, true and complete statement of the affairs of 82 Old Kennedy Development Inc. on February 13, 2019, and fully disclose all of its property of every description in its possession or that may devolve on it in accordance with Section 67 of the *Bankruptcy and Insolvency Act*.

Sworn (or solemnly declared) before me at the City
of Toronto, in the Province of Ontario
this 13th day of February, 2019.


A Commissioner, etc.

Katie Marie Parent,
a Commissioner, etc., Province of Ontario,
for Goldman Sloan Nash & Haber LLP,
Barristers and Solicitors.
Expires June 8, 2021.


Yuan Hua Wang

Appendix “F”

**IN THE MATTER OF THE PROPOSAL OF
58 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM, IN THE PROVINCE OF ONTARIO**

LIST OF CREDITORS AS AT FEBRUARY 13, 2019, AS SUBMITTED BY THE COMPANY,
WITHOUT ADMISSION AS TO ANY LIABILITIES OR PRIVILEGE HEREIN SHOWN

Unsecured Creditor	Account No.	Claim (Cdn \$)
Canada Revenue Agency Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd. Shawinigan, QC G9P 5H9	785502899	Unknown

**IN THE MATTER OF THE PROPOSAL OF
76 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM, IN THE PROVINCE OF ONTARIO**

LIST OF CREDITORS AS AT FEBRUARY 13, 2019, AS SUBMITTED BY THE COMPANY,
WITHOUT ADMISSION AS TO ANY LIABILITIES OR PRIVILEGE HEREIN SHOWN

Unsecured Creditor	Account No.	Claim (Cdn \$)
Arcadis Canada Inc. 121 Granton Drive, Suite 12 Richmond Hill, ON L4B 3N4		4,479.00
Canada Revenue Agency Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd. Shawinigan, QC G9P 5H9	793274721	Unknown
Enbridge Consumers Gas P.O. Box 644 Scarborough, ON M1K 5H1	910022613456	526.10
Network Services		373.00

**IN THE MATTER OF THE PROPOSAL OF
82 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM, IN THE PROVINCE OF ONTARIO**

LIST OF CREDITORS AS AT FEBRUARY 13, 2019, AS SUBMITTED BY THE COMPANY,
WITHOUT ADMISSION AS TO ANY LIABILITIES OR PRIVILEGE HEREIN SHOWN

Unsecured Creditor	Account No.	Claim (Cdn \$)
Canada Revenue Agency Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd. Shawinigan, QC G9P 5H9	775936495	Unknown

Appendix “G”

(ONTARIO)
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Estate No. 31-2436538

IN THE MATTER OF THE PROPOSAL OF
58 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM,
IN THE PROVINCE OF ONTARIO

FORM 40.1

**Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the *Bankruptcy and Insolvency Act*)**

Take notice that an application will be made to the (Ontario) Superior Court of Justice - Commercial List, at 330 University Avenue, Toronto, Ontario, on the 14th day of March, 2019, at 10:00 a.m., to approve the Proposal of 58 Old Kennedy Development Inc., if accepted by the creditors at a meeting held on the 6th day of March, 2019.

DATED at Toronto, Ontario, this 22nd day of February, 2019.

A handwritten signature in blue ink that reads "KSV Kofman Inc." in a cursive, stylized font.

**KSV KOFMAN INC.
LICENSED INSOLVENCY TRUSTEE
150 King St. W., Suite 2308
Toronto, ON M5H 1J9**

(ONTARIO)
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Estate No. 31-2436600

IN THE MATTER OF THE PROPOSAL OF
76 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM,
IN THE PROVINCE OF ONTARIO

FORM 40.1

**Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the *Bankruptcy and Insolvency Act*)**

Take notice that an application will be made to the (Ontario) Superior Court of Justice - Commercial List, at 330 University Avenue, Toronto, Ontario, on the 14th day of March, 2019, at 10:00 a.m., to approve the Proposal of 76 Old Kennedy Development Inc., if accepted by the creditors at a meeting held on the 6th day of March, 2019.

DATED at Toronto, Ontario, this 22nd day of February, 2019.

A handwritten signature in blue ink that reads "KSV Kofman Inc." in a cursive, stylized font.

**KSV KOFMAN INC.
LICENSED INSOLVENCY TRUSTEE
150 King St. W., Suite 2308
Toronto, ON M5H 1J9**

(ONTARIO)
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Estate No. 31-2436604

IN THE MATTER OF THE PROPOSAL OF
82 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF MARKHAM,
IN THE PROVINCE OF ONTARIO

FORM 40.1

**Notice of Hearing of Application for Court Approval of Proposal
(Paragraph 58(b) of the *Bankruptcy and Insolvency Act*)**

Take notice that an application will be made to the (Ontario) Superior Court of Justice - Commercial List, at 330 University Avenue, Toronto, Ontario, on the 14th day of March, 2019, at 10:00 a.m., to approve the Proposal of 82 Old Kennedy Development Inc., if accepted by the creditors at a meeting held on the 6th day of March, 2019.

DATED at Toronto, Ontario, this 22nd day of February, 2019.

A handwritten signature in blue ink that reads "KSV Kofman Inc." in a cursive, stylized font.

**KSV KOFMAN INC.
LICENSED INSOLVENCY TRUSTEE
150 King St. W., Suite 2308
Toronto, ON M5H 1J9**

Appendix “E”

District of Ontario
Division No. 09 - Toronto
Court No. 31-2436538
Estate No. 31-2436538

Voting Summary

In the matter of the proposal of
58 Old Kennedy Development Inc.
of the City of Markham, in the Province of Ontario

Insolvency Date: 13-Feb-2019

Estate Number: 31-2436538

Result of Voting

Class	Total #			Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result	
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	2	2	0	4,663.70	0.00	100.00	0.00	100.00	0.00	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	Canada Revenue Agency	U	785502899	250.00	Proxy	For
	Weston Consulting Group Inc.	U		4,413.70	Letter	For

District of Ontario
Division No. 09 - Toronto
Court No. 31-2436600
Estate No. 31-2436600

Voting Summary

In the matter of the proposal of
76 Old Kennedy Development Inc.
of the City of Markham, in the Province of Ontario

Insolvency Date: 13-Feb-2019
Estate Number: 31-2436600

Result of Voting

Class	Total #			Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result	
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	2	2	0	4,663.70	0.00	100.00	0.00	100.00	0.00	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	Canada Revenue Agency	U	793274721	250.00	Proxy	For
	Weston Consulting Group Inc.	U		4,413.70	Letter	For

District of Ontario
Division No. 09 - Toronto
Court No. 31-2436604
Estate No. 31-2436604

Voting Summary

In the matter of the proposal of
82 Old Kennedy Development Inc.
of the City of Markham, in the Province of Ontario

Insolvency Date: 13-Feb-2019
Estate Number: 31-2436604

Result of Voting

Class	Total #			Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result	
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	2	2	0	4,663.70	0.00	100.00	0.00	100.00	0.00	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	Canada Revenue Agency	U	775936495	250.00	Proxy	For
	Weston Consulting Group Inc.	U		4,413.70	Letter	For

Appendix “F”

**IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

MINUTES OF GENERAL MEETING OF CREDITORS

1. Minutes of the General Meeting of Creditors of 58 Old Kennedy Development Inc. (the "Company" and together with 76 Old Kennedy Development Inc. and 82 Old Kennedy Development Inc., the "Companies") held at the offices of Bennett Jones LLP, 100 King Street West, Suite 3400, Toronto, Ontario, on the 6th day of March, 2019 at 2:30 p.m. (the "Meeting").
2. An attendance list of those present is attached as Appendix "A".
3. David Sieradzki of KSV Kofman Inc. ("KSV") called the Meeting to order at 2:30 p.m., announced the presence of a quorum and that the meeting was duly constituted.
4. Mr. Sieradzki informed the Meeting that he would act as Chair pursuant to Section 51(3) of the *Bankruptcy and Insolvency Act* ("BIA") and Renee Schwartz of KSV would act as the Recording Secretary.
5. The Chair advised that the Recording Secretary had tabled the following documents:
 - Trustee's Affidavits of Service dated February 28, 2019 relating to the proposals;
 - Trustee's Report to Creditors ("Report"), which attached:
 - a) Certificates of Filing of the Proposals (Appendix "A");
 - b) Proposals (Appendix "B");
 - c) Proof of Claim Forms, Proxy and Voting Letters (Appendix "C");
 - d) Notices of Proposals to Creditors (Appendix "D");
 - e) Statements of Affairs summaries (Appendix "E");
 - f) Lists of Creditors (Appendix "F"); and
 - g) Notices of Hearing of Application for Court Approval of Proposals (Appendix "G").
6. **Review of Report and Proposal**

The Chair reviewed the Report, highlighting the financial position and the causes of financial difficulties of each of the Companies.

The Chair provided background on the proposals, noting that the purpose of the proposal proceedings was to effect a proposal to creditors for the distribution of funds arising from the sale of the Companies' real property, which transactions were completed on January 31, 2019 (the "Transactions").

The Chair advised that net proceeds of the Transactions are on deposit in the Proposal Trustee's trust accounts, which total approximately \$5.5 million. This amount comprises the Companies' only known assets at this time.

The Chair explained that Canada Revenue Agency (“CRA”) is the only known material creditor of each of the Companies. CRA filed “placeholder” claims in the amount of \$250 against each of the Companies. The Chair explained that a tax accountant is in the process of being retained to file the required tax returns and quantify the tax obligations. The tax obligations are expected to be significant.

7. The Chair requested questions from the floor.

Q: Gino Ottaviano of CRA asked if any of the transfers referred to in the Report were subject to HST.

A: David Sieradzki advised that it was the Proposal Trustee’s understanding that the transfers were advances to related parties (and not for services rendered to the Companies by related parties) and, accordingly, would not be HST exigible. Mr. Sieradzki also advised that the Companies had not yet provided any supporting documentation so this would need to be confirmed by Aimie Yang, the Companies’ controller.

A: Ms. Yang advised that the Companies need to get more details and provide that information to the Proposal Trustee, but she confirmed that she believed that Mr. Sieradzki’s understanding was correct.

A: Jim Grout, counsel to Mr. Wang, advised that the Companies would provide the Proposal Trustee with the necessary supporting documentation.

8. There being no further questions, the Chair called on Renee Schwartz to report on the attendance.

Ms. Schwartz reported that there were two voting creditors with admitted claims in each estate. One voting creditor was present by proxy and one creditor by Trustee’s proxy and voting letter, in each estate.

9. The Chair called for a short adjournment to afford Mr. Ottaviano time to consult with his office.
10. Following a five-minute adjournment, the Meeting reconvened.
11. **58 Old Kennedy Development Inc.**

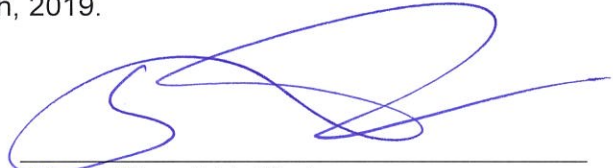
Vote to Accept the Proposal

The Chair requested a motion be tabled to vote on acceptance of the Company’s proposal. Mr. Ottaviano tabled a motion to accept the proposal as made on the 13th day of February, 2019. The motion was seconded by Trustee’s proxy from Weston Consulting Group Inc. and unanimously carried.

The Chair announced the voting results. The proposal was accepted by 100% of the voting unsecured creditors with claims totalling \$4,663.70, representing 100% in dollar value of the voting unsecured claims and 100% in number of voting unsecured claims. The Chair declared that the vote on the proposal had been carried by the statutory majority of voting unsecured creditors.

12. The Chair advised that the motion for Court approval of the proposals had been scheduled for March 14, 2019, at 10:00 a.m.
13. There being no further business, the meeting was terminated at 2:40 p.m.

Dated at Toronto, Ontario this 6th day of March, 2019.



David Sieradzki, Chair



Renee Schwartz, Recording Secretary

Estate File No.: 31-2436600

**IN THE MATTER OF THE PROPOSAL OF 76 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

MINUTES OF GENERAL MEETING OF CREDITORS

1. Minutes of the General Meeting of Creditors of 76 Old Kennedy Development Inc. (the "Company") held at the offices of Bennett Jones LLP, 100 King Street West, Suite 3400, Toronto, Ontario, on the 6th day of March, 2019 at 2:40 p.m. (the "Meeting").
2. Having just attended the meeting for 58 Old Kennedy Development Inc., the creditors were content to proceed to a vote at the outset of the Meeting.
3. **76 Old Kennedy Development Inc.**

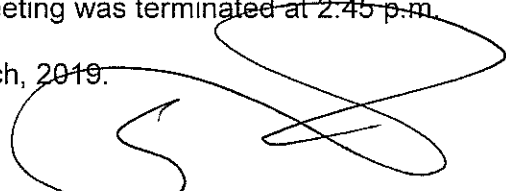
Vote to Accept the Proposal

The Chair requested a motion be tabled to vote on acceptance of the Company's proposal. Mr. Ottaviano tabled a motion to accept the proposal as made on the 13th day of February, 2019. The motion was seconded by Trustee's proxy from Weston Consulting Group Inc. and unanimously carried.

The Chair announced the voting results. The proposal was accepted by 100% of the voting unsecured creditors with claims totalling \$4,663.70, representing 100% in dollar value of the voting unsecured claims and 100% in number of voting unsecured claims. The Chair declared that the vote on the proposal had been carried by the statutory majority of voting unsecured creditors.

4. The Chair advised that the motion for Court approval of the proposals had been scheduled for March 14, 2019, at 10:00 a.m.
5. There being no further business, the meeting was terminated at 2:45 p.m.

Dated at Toronto, Ontario this 6th day of March, 2019.



David Sieradzki, Chair

Renee Schwartz, Recording Secretary

**IN THE MATTER OF THE PROPOSAL OF 82 OLD KENNEDY DEVELOPMENT INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

MINUTES OF GENERAL MEETING OF CREDITORS

1. Minutes of the General Meeting of Creditors of 82 Old Kennedy Development Inc. (the "Company") held at the offices of Bennett Jones LLP, 100 King Street West, Suite 3400, Toronto, Ontario, on the 6th day of March, 2019 at 2:45 p.m. (the "Meeting").
2. Having just attended the meetings for 58 Old Kennedy Development Inc. and 76 Old Kennedy Development Inc., the creditors were content to proceed to a vote at the outset of the Meeting.
3. **82 Old Kennedy Development Inc.**

Vote to Accept the Proposal

The Chair requested a motion be tabled to vote on acceptance of the Company's proposal. Mr. Ottaviano tabled a motion to accept the proposal as made on the 13th day of February, 2019. The motion was seconded by Trustee's proxy from Weston Consulting Group Inc. and unanimously carried.

The Chair announced the voting results. The proposal was accepted by 100% of the voting unsecured creditors with claims totalling \$4,663.70, representing 100% in dollar value of the voting unsecured claims and 100% in number of voting unsecured claims. The Chair declared that the vote on the proposal had been carried by the statutory majority of voting unsecured creditors.

4. The Chair advised that the motion for Court approval of the proposals had been scheduled for March 14, 2019, at 10:00 a.m.
5. There being no further business, the meeting was terminated at 2:47 p.m.

Dated at Toronto, Ontario this 6th day of March, 2019.



David Sieradzki, Chair



Renee Schwartz, Recording Secretary

Appendix “A”

IN THE MATTER OF THE PROPOSAL OF 58 OLD KENNEDY DEVELOPMENT INC.;

IN THE MATTER OF THE PROPOSAL OF 76 OLD KENNEDY DEVELOPMENT INC.; and



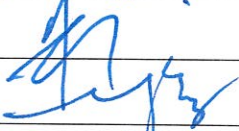


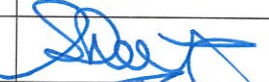




IN THE MATTER OF THE PROPOSAL OF 82 OLD KENNEDY DEVELOPMENT INC.

FIRST MEETING OF CREDITORS

ATTENDANCE REGISTER

Date: March 6, 2019

Estate File Nos.: 31-2436538; 31-2436600 and 31-2436604, respectively

No.	Signature	Name (Print)	Representing	Amount of Claim	Remarks
		David Sierodski	TRUSTEE		
		Renee Schwartz	"		
		Jessica Wang	Debtor		
		Armie Tang	Debtor.		
		MIKE WANG	"		
		SHANE KUKULOWICZ	"		
		JIM GROUT	"		
		Maria Forte			
		Gino Ottaviano	CRA		
		Sean Ewing	Trustee Counsel		