



Court File No. CV-21-00672999-00CL

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

THE HONOURABLE)	MONDAY, THE 6 TH
)	
JUSTICE CAVANAGH)	DAY OF JUNE, 2022

B E T W E E N :

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

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

DISTRIBUTION AND DISCHARGE ORDER

THIS MOTION, made by KSV Restructuring Inc. (“KSV”), in its capacity as the Court-appointed receiver and manager (in such capacities, the “**Receiver**”), without security, of all the assets, undertakings and properties (collectively, the “**Property**”) of Claireville Property Holdings Inc. (the “**Debtor**”), for an order, amongst other things: (i) approving the Second Report of the

Receiver dated May 26, 2022 (the “**Second Report**”) and the actions of the Receiver set out therein (including, without limitation, approving the Receiver’s Interim Statement of Receipts and Disbursements appended to the Second Report (the “**Interim Statement of Receipts and Disbursements**”)); (ii) approving the fees and disbursements of the Proposal Trustee (as defined in the Second Report), the Receiver and their respective counsel, including the Fee Accrual (as defined in the Second Report); (iii) authorizing and directing the Receiver to make the distributions proposed in the Second Report; (iv) unsealing Confidential Appendix “1” to the First Report of the Proposal Trustee dated July 26, 2021; (v) discharging KSV as the Receiver of the assets, undertakings and properties of the Debtor effective upon the filing of a certificate by the Receiver certifying that all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, in substantially the form attached hereto as Schedule “A” (the “**Discharge Certificate**”); and (vi) releasing KSV from any and all liability, as set out in paragraph 8 of this Order, was heard this day by Zoom.

ON READING the Second Report (including the appendices thereto, including, without limitation, the fee affidavits provided on behalf of the Proposal Trustee, the Receiver and their respective counsel (the “**Fee Affidavits**”)), and on hearing the submissions of counsel for the Receiver and such other counsel as was present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Eunice Baltkois sworn May 26, 2022, filed,

1. **THIS COURT ORDERS** that the time for service and filing of the Receiver’s notice of motion and the Receiver’s corresponding motion record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Second Report be and is hereby approved and the actions of the Receiver described therein be and are hereby approved (including, without limitation, the Interim Statement of Receipts and Disbursements).

3. **THIS COURT ORDERS** that Confidential Appendix “1” to the First Report of KSV Restructuring Inc., in its capacity as the Proposal Trustee of the Debtor (in such capacity, the “**Proposal Trustee**”), dated July 26, 2021 (collectively, the “**Former Confidential Appendix**”) be and is hereby unsealed, such that, for greater certainty, paragraph 31 of the Order of The Honourable Mr. Justice Pattillo no longer applies in respect of the Former Confidential Appendix.

4. **THIS COURT ORDERS** that the fees and disbursements of the Proposal Trustee, the Receiver and their respective counsel, as described in the Second Report and as set out in the Fee Affidavits, be and are hereby approved.

5. **THIS COURT ORDERS** that the Fee Accrual be and is hereby approved.


6. **THIS COURT ORDERS** that, after payment of the fees and disbursements herein approved by paragraphs 4 and 5 of this Order, the Receiver be and is hereby authorized and directed to make the following distributions:

- (a) first, to Cannect Mortgage Investment Corporation, up to the amount outstanding under the DIP Facility; and
- (b) second, any remaining amount available in this receivership proceeding, if any, to KSV Restructuring Inc., in its capacity as the licensed insolvency trustee of the Debtor (in such capacity, the “**Bankruptcy Trustee**”).

7. **THIS COURT ORDERS** that, upon the Receiver filing the Discharge Certificate, the Receiver shall be discharged as Receiver of the assets, undertakings and properties of the Debtor, provided however that notwithstanding its discharge herein: (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of KSV, in its capacity as the Receiver.

8. **THIS COURT ORDERS AND DECLARES** that, upon the Receiver filing the Discharge Certificate, KSV is hereby released and discharged from any and all liability that KSV now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KSV while acting in its capacity as the Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, KSV is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



Digitally signed by
Mr. Justice Cavanagh

SCHEDULE “A”

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(COMMERCIAL LIST)**

B E T W E E N :

CANNECT MORTGAGE INVESTMENT CORPORATION

Applicant

- and -

CLAIREVILLE PROPERTY HOLDINGS INC.

Respondent

RECEIVER’S DISCHARGE CERTIFICATE

RECITALS

(A) Pursuant to an Order of The Honourable Mr. Justice Pattillo of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made December 14, 2021, KSV Restructuring Inc. (“**KSV**”) was appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, of all the assets, undertakings and properties (collectively, the “**Property**”) of Claireville Property Holdings Inc. (the “**Debtor**”).

(B) Pursuant to an Order of the Court made June 6, 2022 (the “**Distribution and Discharge Order**”), KSV was discharged as the Receiver of all of the assets, undertakings and properties of the Debtor to be effective upon the filing by the Receiver with the Court of a certificate confirming

that all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver, provided, however, that notwithstanding its discharge: (a) the Receiver will remain the Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and (b) the Receiver will continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of KSV, in its capacity as the Receiver.

(C) Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Distribution and Discharge Order.

THE RECEIVER CERTIFIES the following:

1. all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver; and
2. this Certificate was filed by the Receiver with the Court on the ____ day of _____, 2022.

KSV RESTRUCTURING INC., solely in its capacity as the Court-appointed receiver and manager of all the assets, undertakings and properties of Claireville Property Holdings Inc., and not in its corporate, personal or any other capacity

Per: _____

Name:

Title:

**CANNECT MORTGAGE INVESTMENT
CORPORATION**

-and-

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ONTARIO
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(COMMERCIAL LIST)

Proceedings commenced at Toronto

DISCHARGE AND DISTRIBUTION ORDER

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