

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE RECEIVERSHIP OF EQUITYLINE  
SPV LIMITED PARTNERSHIP**

B E T W E E N:

**EQUITABLE BANK**

Applicant

- and -

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

**MOTION RECORD**

**(Motion for Approval of Mortgage Adjudication Protocol)**

**Returnable January 13, 2025**

January 5, 2026

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Lawyers for the Court-appointed receiver of  
EquityLine SPV Limited Partnership, KSV  
Restructuring Inc.

**TO: THE SERVICE LIST**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE RECEIVERSHIP OF EQUITYLINE  
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# **TAB 1**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE RECEIVERSHIP OF EQUITYLINE  
SPV LIMITED PARTNERSHIP**

B E T W E E N:

**EQUITABLE BANK**

Applicant

- and -

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

**NOTICE OF MOTION**

(Approval of Mortgage Adjudication Protocol)  
(Returnable January 13, 2026)

**KSV RESTRUCTURING INC.** (“**KSV**”), in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of EquityLine SPV Limited Partnership (“**EquityLine**”) will make a motion to the Honourable Justice Kimmel presiding over the Superior Court of Justice, Toronto (Commercial List) on January 13, 2026, at 10:00 a.m., or as soon thereafter as the motion can be heard, at 330 University Avenue, Toronto, Ontario by way of videoconference.

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

By video conference.

*Zoom meeting link, meeting ID and passcode to be created and posted to Case Center by Court staff.*

**THE MOTION IS FOR:**

- (a) An order substantially in the form attached at Tab 3 of the Motion Record, *inter alia*, approving the mortgage adjudication protocol (the “**Protocol**”) appended thereto as Schedule “A” and authorizing the Receiver to take such steps as is necessary or advisable to perform its obligations thereunder; and
- (b) such further and other relief as this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE**

- (a) Pursuant to an Order of the Superior Court of Justice, Toronto (Commercial List) dated August 8, 2024 (the “**Receivership Order**”), KSV was appointed as the Receiver, without security, of all assets, undertakings and properties of EquityLine;
- (b) Prior to the Receivership Order, EquityLine was part of the “EquityLine Group”, a collection of entities that were previously in the business of funding residential mortgages, in part with loans advanced by the Applicant, Equitable Bank (“**EQB**”);
- (c) EquityLine defaulted on the loan advanced by EQB, leading to the Receivership Order;
- (d) As of the date of this notice of motion, there are 20 mortgages (the “**Mortgage Portfolio**”) registered in favour of EquityLine;
- (e) As part of its mandate to maximize recovery for the benefit of EquityLine’s estate, the Receiver must determine the validity and enforceability of the mortgages comprising the Mortgage Portfolio and, where appropriate, enforce those mortgages;

- (f) Since its appointment, the Receiver has been made aware of the claims of certain mortgagors (the “**Objecting Mortgagors**”) alleging that their respective mortgage under the Mortgage Portfolio was procured through fraud (each, an “**Impugned Mortgage**”) and is therefore not valid or enforceable;
- (g) The allegations of fraud by the Objecting Mortgagors are, generally, similar in nature;
- (h) The Receiver must first review the allegations advanced by the Objecting Mortgagors and, if their claims are substantiated, consider recovery through any applicable contract of insurance or cause of action arising from the fraud, where appropriate and economic, in lieu of enforcing the Impugned Mortgage;
- (i) Accordingly, the Receiver has developed the Protocol for the orderly and efficient review and determination of the allegations made by the Objecting Mortgagors, which provides all sufficiently interested parties the opportunity to participate in the determination of each Impugned Mortgage;
- (j) Adjudication of the allegations raised by the Objecting Mortgagors under the Protocol is necessary, just, and preferable to multiple standalone proceedings;
- (k) The Protocol maintains the Court’s supervisory authority by requiring Court approval for any determination made by the Receiver thereunder in respect of an Impugned Mortgage and is consistent with the single proceeding model for insolvency proceedings in Canada;
- (l) The Protocol promotes the preservation of scarce judicial resources by including a mediation option to encourage the non-litigious resolution of the issues;

- (m) Rules 2.03, 3.02, 5.04(2) and 37 of the *Rules of Civil Procedure*;
- (n) Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, and the inherent and equitable jurisdiction of the Court; and
- (o) Such further and other grounds as the lawyers may advise.

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

- (a) The Fourth Report of the Receiver dated January 5, 2026; and
- (b) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

January 5, 2026

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

**EQUITABLE BANK**

Applicant

- and -

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

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**EQUITABLE BANK**

Applicant

and

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

Court File No. CV-24-00721560-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

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SPV Limited Partnership, KSV Restructuring Inc.

# **TAB 2**



**Fourth Report to Court of  
KSV Restructuring Inc.  
as Receiver and Manager of  
EquityLine SPV Limited Partnership**

January 5, 2026

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ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

B E T W E E N :

EQUITABLE BANK

APPLICANT  
- AND -

EQUITYLINE SPV LIMITED PARTNERSHIP

RESPONDENT

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

FOURTH REPORT OF  
KSV RESTRUCTURING INC.  
AS RECEIVER AND MANAGER

JANUARY 5, 2026

## 1.0 Introduction

1. Pursuant to an order issued by the Ontario Superior Court of Justice, Toronto (Commercial List) (the “**Court**”) on August 8, 2024 (the “**Receivership Order**”), KSV Restructuring Inc. (“**KSV**”) was appointed as the receiver and manager (in such capacity, the “**Receiver**”), without security, of all assets, undertakings and properties of EquityLine SPV Limited Partnership (the “**Debtor**”) acquired for, or used in relation to, a business carried on by the Debtor, including all proceeds thereof (the “**Property**”). A copy of the Receivership Order is attached as **Appendix “A”**.
2. The application to appoint the Receiver was brought by Equitable Bank (“**EQB**”), the Debtor’s senior secured creditor, which was owed approximately \$10.1 million as of the date of the Receivership Order.

3. The Debtor is part of a group of companies known as the “EquityLine Group”, a collection of entities that were previously in the business of funding residential mortgages, in part with funds advanced by EQB. As of the date of this fourth report (the “**Fourth Report**”), the Debtor currently holds a portfolio of 20 mortgages with an estimated book value of \$9.1 million (the “**Mortgage Portfolio**”), after accounting for the impending deletion of certain instruments in favour of the Debtor from title to the property of one of the EquityLine mortgagors, Margaret Ellen Jank. The Mortgage Portfolio was managed by EquityLine Services Corporation, which also managed mortgages for the EquityLine Group’s publicly listed mortgage investment entity, EquityLine Mortgage Investment Corporation.
4. To date, the Receiver has filed:
  - a) a first report (the “**First Report**”) summarizing the structure of EquityLine Group’s operations, the nature of the Debtor’s indebtedness to EQB and the status of the Mortgage Portfolio;
  - b) a supplement to the First Report (the “**Supplement**”) detailing site visits to certain of the mortgaged properties;
  - c) a second report (the “**Second Report**”) outlining the reasons for its opposition to a motion by Ms. Jank to lift the stay of proceedings against the Debtor for the purpose of bringing a motion for partial summary judgment in her action against, among others, the Debtor (the “**Jank Action**”) in favour of a process that adjudicates Ms. Jank’s claim within the receivership proceedings; and
  - d) a third report (the “**Third Report**”) setting out the basis for, *inter alia*, the Receiver’s recommendation that certain instruments registered on title to the property of Ms. Jank in favour of the Debtor should be deleted for constituting a “fraudulent instrument” under the *Land Titles Act*, R.S.O. 1990, c. L.5. (the “**LTA**”) and the Receiver’s request for an Order granting certain standard ancillary relief.
5. Copies of the Receiver’s report and other materials filed with the Court in this proceeding are available on the Receiver’s case website (the “**Website**”): <https://www.ksvadvisory.com/experience/case/equityline>.
6. This Fourth Report is filed by KSV in its capacity as Receiver.

## 1.1 Purpose of this Fourth Report

1. The purposes of this Fourth Report are to:
  - a) summarize the procedure proposed by the Receiver for the orderly review and determination of fraud claims made by certain mortgagors (the “**Objecting Mortgagors**”) in respect of mortgages comprising the Mortgage Portfolio (the “**Mortgage Adjudication Protocol**”); and
  - b) recommend that the Court issue an Order approving the Mortgage Adjudication Protocol.

## 1.2 Restrictions

1. In preparing this Fourth Report, the Receiver has relied upon: (i) discussions and information provided by representatives of EQB; (ii) the Debtor's unaudited books and records; (iii) information provided by the Debtor and its principal, Sergiy Shchavyelyev; and (iv) the pleadings and other information provided by certain Objecting Mortgagors.
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.
3. Additional background information regarding the Debtor and the reasons for the appointment of the Receiver are provided in the affidavit of Brendan Smith, Director, Specialized Finance of EQB, sworn May 31, 2024, a copy of which is available on the Website.

## 2.0 Overview of Mortgage Portfolio Fraud Claims

### 2.1 Background

1. The Debtor is a limited partnership established under the laws of Ontario. Prior to the Receivership Order, the Debtor was a special purpose vehicle which held the beneficial interest of the mortgages comprising the Mortgage Portfolio.
2. As of the date of the Receivership Order, the Mortgage Portfolio consisted of 25 residential mortgages with a book value of approximately \$11.8 million. As of the date of the Fourth Report, the Mortgage Portfolio has been reduced to 20 mortgages, with a book value of approximately \$9.1 million. This decrease is on account of 4 mortgages being paid out and the deletion of the Jank Mortgage (as defined below) pursuant to an Order of the Court dated November 26, 2025, detailed below (the "**Jank Order**").
3. Upon its appointment, the Receiver reviewed the Mortgage Portfolio and discovered at least eight mortgages (the "**Impugned Mortgages**") that are the subject of fraud allegations by the Objecting Mortgagors. The allegations were raised either in pleadings filed in pre-receivership mortgage enforcement proceedings that were stayed by the Receivership Order or were asserted directly to the Receiver.
4. The allegations of the Objecting Mortgagors are, generally, similar. In particular, the Objecting Mortgagors (or parties related to them) allege that individuals attended, without solicitation, at the homes of certain elderly homeowners and, through a series of allegedly fraudulent acts, including, in some cases, allegedly forging signatures on behalf of the homeowners, induced the Objecting Mortgagors to agree to charges registered on title to their homes. The charges were purportedly to finance home-improvement services that were allegedly unnecessary and/or not provided, or to secure the discharge of notices of security interest relating to home comfort equipment. In some cases, the elderly homeowners were impecunious or otherwise vulnerable.

5. The structure of the EquityLine Group, the composition of the Mortgage Portfolio, and the Receiver's identification of the fraud allegations are addressed in greater detail in the First Report and Second Report.

## **2.2 Resolution of Ms. Jank's Allegations of Fraud and Claims of Lyle Auton**

1. Ms. Jank is one of the Objecting Mortgagors.
2. Ms. Jank commenced the Jank Action, which was stayed by the Receivership Order. Following Ms. Jank's unsuccessful motion to lift the stay of proceedings in order to advance the Jank Action, a process was established by the Court through orders and endorsements dated May 13, 2025 and October 6, 2025, which, *inter alia*, afforded the Debtor and the relevant title insurer, TitlePLUS, the opportunity to respond to the evidence presented by Ms. Jank in support of her allegations that the instruments registered on title to her property in favour of the Debtor (collectively, the "**Jank Mortgage**") were "fraudulent instruments" under the LTA.
3. Based upon the evidence submitted by Ms. Jank and the Debtor, the Receiver determined that the Jank Mortgage is a "fraudulent instrument" within the meaning of the LTA. TitlePLUS ultimately took no position on Ms. Jank's allegations. Accordingly, the Court found that the Jank Mortgage constituted a "fraudulent instrument" under the LTA and granted the Jank Order directing the deletion of the Jank Mortgage from title to Ms. Jank's property. The Third Report contains an extensive summary of the process pertaining to the Jank Mortgage.
4. Following the granting of the Jank Order on November 26, 2025, the Receiver has taken the requisite steps to file same with the relevant land registrar. The Receiver has been advised that the land registrar will certify the Jank Order shortly.
5. While the substance of Ms. Jank's allegations of fraud have been resolved, the issue of coverage under the corresponding title insurance policy remains outstanding, which the Receiver anticipates will be resolved through the process provided in the Mortgage Adjudication Protocol, if granted.
6. Separately, the Receiver has received certain evidence from another Objecting Mortgagor, Lyle Auton. The Receiver has reviewed the evidence and, should Mr. Auton consent, intends to provide same to the Interested Parties (defined below) immediately upon the Court approving the Mortgage Adjudication Protocol, if granted.

## **3.0 The Mortgage Adjudication Protocol**

### **3.1 Necessity of the Mortgage Adjudication Protocol**

1. The Mortgage Portfolio represents substantially all of the Debtor's assets. To advance its mandate, the Receiver must determine whether the mortgages registered in favour of the Debtor are valid and enforceable. In relation to the Impugned Mortgages, the Receiver must first assess the legitimacy of the allegations of fraud made by the Objecting Mortgagors. If such allegations are substantiated, the Receiver cannot enforce on those charges and, instead, is to consider other prospects of recovery through any applicable contract of insurance or cause of action arising from the fraud, where appropriate.

2. The Receiver has submitted claims to the three title insurers for the eight mortgages of the Objecting Mortgagors. As of the date of this Fourth Report, none of the title insurers have provided their position on coverage. In terms of recovery through the corresponding causes of action, based on the Receiver's initial review of the allegations, the potential defendants to such actions are numerous, and may include, among others, lawyers (and consequently, LawPRO), mortgage brokers and home services providers.
3. The Receiver is of the view that a single process in which all parties with an interest in the Impugned Mortgages and the allegations made by the Objecting Mortgagors are able to participate is necessary, just and convenient for the following reasons:
  - a) all stakeholders will benefit from an orderly and accelerated determination of the validity and enforceability of the Impugned Mortgages, including:
    - i. the Objecting Mortgagors, some of whom require relief on an urgent basis in light of their expressed need to sell their property encumbered by an Impugned Mortgage and transition to assisted-living accommodations;
    - ii. if applicable, the potential defendants to a corresponding action and the relevant insurers, who will save on the expense and time should the Impugned Mortgages be litigated outside of the receivership; and
    - iii. the creditors of the Debtor, including EQB, as a result of the cost savings generated by the proposed process relative to litigation of the Impugned Mortgages outside of the receivership;
  - b) the proposed process maintains the Court's supervisory authority by requiring Court approval of any determination made by the Receiver;
  - c) the proposed process includes an option for mediation, which reflects the mandatory mediation provisions under the *Rules of Civil Procedure* and promotes the non-litigious resolution of the issues, if possible; and
  - d) the consolidated review and adjudication of all claims connected to the Impugned Mortgages is consistent with the single proceeding model for insolvency proceedings in Canada.

### **3.2 Summary of the proposed Mortgage Adjudication Protocol**

1. The Mortgage Adjudication Protocol proposed by the Receiver is provided as **Appendix “B”**.
2. At a high level, the Mortgage Adjudication Protocol contemplates the following:
  - a) Each Objecting Mortgagor submitting a comprehensive record of their evidence to the Receiver, which the Receiver will provide to certain other parties with an interest in the outcome of the Impugned Mortgage (the “**Interested Parties**”), including the Debtor and relevant title insurer;
  - b) The Interested Parties will have an opportunity to respond and provide their evidence to the Receiver;

- c) The Receiver will review all evidence submitted and make a determination (the “**Determination**”) in respect of the Impugned Mortgage;
- d) The Receiver’s Determination will be subject to Court approval and, if applicable, open to challenge by the Objecting Mortgagor or Interested Parties, as the case may be; and
- e) The Receiver has the right, at any time following the commencement of the Mortgage Adjudication Protocol, to direct parties to attend mediation with a specified mediator (the “**Mediator**”). The Receiver will advise the Court of the individual(s) recommended to serve as the Mediator prior to the hearing.

3. The Mortgage Adjudication Protocol requires the relevant title insurer to make a decision on coverage after the Receiver’s motion for approval of its Determination (the “**Coverage Determination**”). If the Receiver disputes the Coverage Determination, a motion to adjudicate same will follow.

4. The key steps of the Mortgage Adjudication Protocol are summarized below:

- a) **Scope and Application:** The Mortgage Adjudication Protocol is only intended to apply to the following: (i) allegations of fraud by the Objecting Mortgagors; and (ii) claims made for losses resulting from the Impugned Mortgages under the relevant title insurance policies. The Receiver notes that some of the mortgagors have disputed the charges on their property on other grounds, namely improper postponements or transfers. Such defences which are not based on fraud will be resolved within the receivership but not as part of the Mortgage Adjudication Protocol.
- b) **Procedure**
  - i. Objecting Mortgagor Materials: Within 45 days of the Order approving the Mortgage Adjudication Protocol, all Objecting Mortgagors must submit evidence in support of their claims in the form of sworn or affirmed affidavit evidence (the “**Mortgagor Materials**”).
  - ii. Delivery of Mortgagor Materials to Interested Parties: Within 15 days of receipt of the Mortgagor Materials, the Receiver shall deliver the Mortgagor Materials to the parties that, in the Receiver’s sole discretion, have a sufficient interest in the Mortgagor’s claim, which may include, as applicable:
    1. The Debtor;
    2. Computershare Trust Company of Canada (which served as custodian for some of the Impugned Mortgages);
    3. The relevant title insurer;

4. The defendants to a proceeding commenced by the Objecting Mortgagor concerning the Impugned Mortgage which the Receiver deems in its sole, unfettered discretion, to have a sufficient interest in adjudication under the Mortgage Adjudication Protocol;
5. LawPRO, where the alleged fraud may give rise to potential professional liability claims; and
6. Such other parties the Receiver considers appropriate or the Court may direct.

iii. Responses by Interested Parties: Within 60 days of receipt of the Mortgagor Materials, the Interested Parties shall provide a written response by way of sworn or affirmed affidavit. The Receiver shall deliver same to the Objecting Mortgagor within 7 days of receipt from the Interested Party. The Objecting Mortgagor will have the right to provide brief reply materials.

iv. Determination by the Receiver: If the Impugned Mortgage is not resolved through mediation, based on the evidence submitted by the participating parties, the Receiver shall make a Determination. The Receiver will issue the Determination within 60 days of the deadline to submit reply materials, or in the event of a mediation, 60 days following termination of same, subject to extensions of time in the manner contemplated in the Mortgage Adjudication Protocol. Should any party wish to dispute the Determination, they shall deliver a notice of dispute within 7 days of issuance of the Determination, and the matter will progress to a hearing for adjudication.

v. Mediation: At any time following the commencement of the Mortgage Adjudication Protocol, the Receiver may elect to direct the parties to attend mediation within 30 days, subject to the Mediator's availability. The fees and expenses of the Mediator shall be shared in a manner agreed upon by the parties, failing which, the Court may issue an order directing the apportionment of such fees and expenses.

vi. Coverage Determination: Within 60 days of the motion for approval of the Determination, the relevant title insurer shall make a determination regarding coverage under the applicable title insurance policy and deliver same to the Receiver (a "**Coverage Determination**"). Should the Receiver dispute the Coverage Determination, it shall deliver a notice of dispute to the title insurer and the matter shall progress to a hearing. Any decision rendered by the Court regarding the Coverage Determination shall be final and binding.

5. Subject to Court approval of the Mortgage Adjudication Protocol, the Receiver intends to direct the outstanding matters remaining in respect of the Jank Mortgage to mediation. Given that the Jank Mortgage has been found by this Court to constitute a "fraudulent instrument" under the LTA, a finding that binds both the Debtor and TitlePLUS, the Receiver does not require Ms. Jank's attendance at such mediation.

## 4.0 Conclusion

1. Based on the foregoing, the Receiver recommends that the Court make an Order approving the Mortgage Adjudication Protocol.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.,  
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF  
EQUITYLINE SPV LIMITED PARTNERSHIP  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

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

THE HONOURABLE	)	TUESDAY, THE 30th
	)	
JUSTICE JANA STEELE	)	DAY OF JULY, 2024

**EQUITABLE BANK**

Applicant

- and -

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

**ORDER**  
**(appointing Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing KSV Restructuring Inc. as receiver and manager ("**KSV**" and in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of EquityLine SPV Limited Partnership (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard before the Honourable Justice Jana Steele on July 29, 2024 at 330 University Avenue, Toronto, Ontario.

AND WHEREAS on reading the Affidavit of Brendan Smith sworn May 31, 2024 and the Exhibits thereto, the Affidavit of Jackson Chau sworn July 25, 2024 and the Exhibit thereto, the Affidavit of Stephen Murphy sworn July 25, 2024 and the Exhibits thereto, the Affidavit of Sergiy Shchavyelyev sworn July 16, 2024 and the Exhibits thereto, and on hearing the

submissions of counsel for the Applicant and the Respondent, no one else appearing although duly served as appears from the affidavits of service filed, and on reading the consent of KSV to act as the Receiver, the Honourable Justice Jana Steele issued an endorsement released July 30, 2024 providing that KSV be appointed as receiver (the “**Endorsement**”),

AND WHEREAS the Applicant and the Respondent have approved the form of Order, which is being signed by the Honourable Justice Kimmel to give effect to the Endorsement,

## **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

## **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including but not limited to all mortgages held in the name of the Debtor or held in the name of Computershare Trust Company of Canada (“**Computershare**”), as custodian for the Debtor, together with all proceeds thereof (the “**Property**”).

## **RECEIVER’S POWERS**

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

(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter

instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$1,000,000, provided that the aggregate consideration for all such transactions does not exceed \$5,000,000, all before applicable taxes; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

4. THIS COURT ORDERS that all right, title and interest in the Property held by Computershare pursuant to a custodial agreement dated August 5, 2021 between Computershare and the Debtor (the “**Custodial Agreement**”), and pursuant to a title custodian acknowledgment agreement with Equitable Bank, the Debtor and Computershare dated August 5, 2021 (the “**Title Custodian Acknowledgement Agreement**”) be and are hereby transferred and assigned to the Receiver and Computershare is hereby released from any obligations under the Custodial Agreement and Title Custodian Acknowledgement Agreement without prejudice to Computershare’s right and ability to continue to rely on those clauses of the Custodial Agreement and Title Custodian Acknowledgement Agreement that survive resignation or termination including without limitation, Section 8.11 of the Title Custodian Agreement.

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

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

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure. Without limiting the generality of the foregoing, such Records includes those in the hands of EquityLine Services Corp.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this

paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

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

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

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

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property, including without limitation any and all Proceedings brought in the name of Computershare in respect of the Property ("Computershare Proceedings") shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings, including without limitation the Computershare Proceedings and any counterclaims asserted in the Computershare Proceedings, currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

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

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

## **NO INTERFERENCE WITH THE RECEIVER**

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

## **CONTINUATION OF SERVICES**

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

## **RECEIVER TO HOLD FUNDS**

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

## **EMPLOYEES**

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

## **PIPEDA**

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

material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

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

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

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

### **RECEIVER'S ACCOUNTS**

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless

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

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

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

## **FUNDING OF THE RECEIVERSHIP**

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$700,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

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

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

## **SERVICE AND NOTICE**

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

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

day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## **GENERAL**

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

29. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Aird & Berlis LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists or may arise.

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

31. 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.

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

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

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

35. THIS COURT ORDERS that this Order and all of its provisions are effective as of the date of this order without any need for entry and filing.

 Digitally signed by  
Jessica Kimmel  
Date: 2024.08.08  
09:40:57 -04'00'

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**SCHEDULE "A"**  
**RECEIVER CERTIFICATE**

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

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

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "Receiver") of the assets, undertakings and properties EquityLine SPV Limited Partnership acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Order") made in an action having Court file number \_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

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

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

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

KSV Restructuring Inc., solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

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

Name:

Title:

**EQUITABLE BANK**

and

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Applicant

Respondent

Court File No. CV-24-00721560-00CL

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**Proceedings commenced at TORONTO**

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**ORDER**  
(Appointing Receiver)

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

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*Lawyers for Equitable Bank*

## **Appendix “B”**

# Mortgage Adjudication Protocol

## A. Introduction

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 8, 2024 (the “**Receivership Order**”), KSV Restructuring Inc. was appointed receiver, without security, of the assets, undertakings and properties of EquityLine SPV Limited Partnership (in such capacity, the “**Receiver**”).
2. The purpose of this Mortgage Adjudication Protocol (the “**Protocol**”) is to establish a procedure for the orderly review and determination of the claims made by certain mortgagors (the “**Objecting Mortgagors**”) of loans advanced by EquityLine SPV Limited Partnership (“**EquityLine**”), who each allege that the mortgage(s) registered on title to their properties in favour of EquityLine<sup>1</sup> were procured through fraud, including, but not limited to any claims that the mortgages constitute a “fraudulent instrument” within the meaning of the *Land Titles Act*, R.S.O. 1990, c. L.5.
3. On [January] [13], 2026, the Court granted an order approving the Protocol (the “**Protocol Approval Order**”).
4. The Protocol will be administered by the Receiver, under supervision of the Court.

## B. Scope and Application of the Protocol

5. This Protocol applies solely to: (i) claims by Objecting Mortgagors in respect of loans advanced by EquityLine who allege that the mortgage registered on title to their property (each, an “**Impugned Mortgage**”) in favour of EquityLine was procured through, or is based upon, a fraud; and (ii) where applicable, claims for losses asserted under the corresponding title insurance policies in respect of the Impugned Mortgages (the “**Title Insurance Claims**”). In particular, this Protocol governs the adjudication of whether such

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<sup>1</sup> Encompassing both mortgages registered directly in favour of EquityLine or by Computershare Trust Company of Canada as custodian of EquityLine’s interests.

Impugned Mortgages ought to be deleted from title, and the manner in which the Title Insurance Claims are to be resolved or finally determined.

6. Disputes relating solely to interest, fees, arrears, servicing, enforcement or other contractual issues unrelated to fraud are not within the scope of this Protocol.
7. Claims that have already been finally determined by a Court or tribunal of competent jurisdiction are not to be adjudicated under this Protocol.

**C. Service**

8. References to “service” or “deliver” in this Protocol shall mean service or delivery by e-mail to the last known e-mail address of the person to be served, and such service shall be deemed effective from the date of the e-mail.

**D. Procedure**

- I. Objecting Mortgagor Initiation and Submission of Evidence – [February] [27], 2026
9. Within 45 days of the issuance of the Court order approving this Protocol (the “**Mortgagor Claim Deadline**”), all Objecting Mortgagors shall deliver to the Receiver a sworn or affirmed affidavit comprehensively setting out the nature of the alleged fraud and all supporting documentation upon which the Objecting Mortgagor intends to rely (collectively, the “**Mortgagor Materials**”).
10. The Mortgagor Materials shall comprise the Objecting Mortgagor’s complete evidentiary record for the purposes of this Protocol, subject only to (i) any further requests for documentation, particulars or information that the Receiver may make at any time, which the Objecting Mortgagor shall respond to within 14 days of such request by the Receiver; and (ii) any Reply Materials (defined below) submitted by the Objecting Mortgagor.
11. Objecting Mortgagors who do not file their materials by the Mortgagor Claim Deadline shall be deemed to accept the validity and enforceability of their respective EquityLine mortgages and shall not be entitled to contest, within these receivership proceedings or

otherwise, the validity of same or any enforcement action taken by the Receiver in respect thereof.

**II. Delivery of Mortgagor Materials to Interested Parties**

12. Within 15 days of receipt of the Mortgagor Materials, the Receiver shall deliver the Mortgagor Materials to those parties that, in the Receiver's sole discretion, have a sufficient interest in a given Objecting Mortgagor's claim, which may include, as applicable:
  - (a) EquityLine;
  - (b) Computershare Trust Company of Canada;
  - (c) The relevant title insurer;
  - (d) Any party named as a defendant by the Objecting Mortgagor in litigation concerning the Impugned Mortgage, that the Receiver deems in its sole, unfettered discretion to have a sufficient interest in adjudication under this Protocol;
  - (e) LAWPRO, where the alleged fraud may give rise to a potential professional liability claim; and
  - (f) Such other parties the Receiver considers appropriate or as the Court may direct (collectively, the "**Interested Parties**").
13. Service of the Mortgagor Materials on an Interested Party in accordance with this section constitutes sufficient notice for the purposes of this Protocol and the Interested Parties served shall be bound by any adjudications made under this Protocol in respect of the relevant Impugned Mortgage.
14. The Receiver shall, within 15 days of receipt, deliver to the Interested Parties any documentation, information or particulars submitted in response to a request issued by the Receiver.

**III. Responses by Interested Parties**

15. Each Interested Party that receives the Mortgagor Materials pursuant to Section D.II. of this Protocol shall, within 60 days of such receipt (the "**Interested Party Submission Deadline**"), deliver to the Receiver a written response by way of sworn or affirmed affidavit, together with any supporting documentation on which that Interested Party

intends to rely (collectively, the “**Interested Party Materials**”). Any Interested Party that does not deliver Interested Party Materials by the Interested Party Submission Deadline shall be deemed to have elected not to provide a response.

16. The Interested Party Materials shall comprise the Interested Party’s complete evidentiary record for the purposes of this Protocol, subject only to any further requests for documentation, particulars or information that the Receiver may make at any time, which the Interested Party shall respond to within 14 days of such request by the Receiver.
17. The Receiver shall deliver the Interested Party Materials, and any follow-up documentation, particulars or information submitted in response to a request by the Receiver, to the relevant Objecting Mortgagor within 7 days of receipt of same.

#### IV. Reply by Objecting Mortgagor

18. The Objecting Mortgagor shall have the right to deliver brief reply materials (the “**Reply Materials**”) in response to the evidence contained in the Interested Party Materials. The Objecting Mortgagor shall deliver Reply Materials to the Receiver within 7 days of receipt of the Interested Party Materials (the “**Reply Materials Submission Deadline**”). The Receiver shall promptly deliver same to the relevant Interested Parties.

#### V. Receiver’s Determination and Court Approval

19. If the Objecting Mortgagor’s claims are not resolved through prior Mediation (as set out in Section D.V, below) the Receiver shall make a determination in respect of the Impugned Mortgage (the “**Determination**”) based upon:
  - (a) the Mortgagor Materials;
  - (b) the Interested Party Materials;
  - (c) the Reply Materials; and
  - (d) any additional documents provided pursuant to this Protocol, other than documents exchanged exclusively in furtherance of a Mediation.
20. The Receiver shall issue the Determination to the Objecting Mortgagor and Interested Parties within 60 days from the later of:

- (a) the Reply Materials Submission Deadline; and
- (b) termination of Mediation, if applicable.

21. If any Objecting Mortgagor or Interested Party wishes to dispute a Determination, such party must deliver to the Receiver, within 7 days of receipt of a Determination, a notice that such party is disputing the Determination (a “**Notice of Dispute**”).
22. If a Notice of Dispute is received by the Receiver with respect to a Determination, the parties shall confer and attempt to agree on a timetable for the scheduling of a motion before the Court for an adjudication of the Determination. If the parties fail to agree on a timetable within 14 days of receipt of a Notice of Dispute, the parties shall attend before the Court for procedural directions and to establish a timetable for the hearing of such motion. Subject to the Court’s directions, the motion shall be determined primarily on the materials submitted to the Receiver in accordance with this Protocol, including any transcripts of cross-examinations conducted in respect of the affidavit evidence submitted by the Objecting Mortgagor and/or Interested Parties.
23. Regardless of whether a Notice of Dispute is delivered, the Receiver shall seek Court approval of each Determination by way of a motion to this Court (the “**Approval Motion**”). Subject to any timetable established by paragraph 21, above, the Receiver shall serve motion materials in respect of an Approval Motion in accordance with the applicable practice directions of the Court.
24. If the Court approves a Determination, such Determination shall be final and binding on the Objecting Mortgagor and all Interested Parties in these receivership proceedings. The Court may make such further orders as it considers appropriate, including, without limitation, orders authorizing the Receiver to arrange for the discharge of the Impugned Mortgage or directing the appropriate land registrar to delete the Impugned Mortgage from title.
25. The Receiver may seek Court approval of multiple Determinations at the same time, including within a single motion or hearing, as the Receiver considers appropriate.

VI. Mandatory Mediation (at the Receiver's Election)

26. At any time following the commencement of the Mortgage Adjudication Protocol, the Receiver may, in its sole discretion, direct that the Objecting Mortgagor and any other Interested Party that the Receiver considers necessary or appropriate participate in a mediation (a "**Mediation**").
27. Upon such direction, the parties shall attend a Mediation before , or such other person as may be appointed by the Court (the "**Mediator**") within 30 days of the Receiver's direction, subject to the Mediator's availability.
28. Participation in the Mediation shall be mandatory for the Objecting Mortgagor and each Interested Party directed by the Receiver to participate.
29. The fees and expenses of the Mediator shall be paid in accordance with an agreement reached among the parties participating in the Mediation acting reasonably, failing which such fees and expenses shall be paid as directed by the Court.
30. All communications made exclusively during the course of Mediation shall be without prejudice and strictly confidential. For greater clarity, no communications, documents or information exchanged exclusively in the course of a Mediation shall be included in, attached to or relied upon in any Approval Motion, Notice of Dispute or other Court proceeding arising under this Protocol, except as may be necessary to enforce a settlement approved by the Court.
31. Subject to Section D.VII, the absence, failure or termination of any Mediation shall not suspend or extend any deadline set out in this Protocol.

VII. Extension to Deadlines

32. The Receiver may extend any deadline under this Protocol on a reasonable basis by written notice to the relevant Objecting Mortgagor and Interested Parties.
33. Any other party to this Protocol may extend a deadline hereunder upon obtaining the written consent of the Receiver, relevant Objecting Mortgagor and the Interested Parties, as the case may be, or with leave of the Court.

**E. Proceeds of Sale**

34. If an Objecting Mortgagor intends to sell, or has sold, property encumbered by an Impugned Mortgage, the net sale proceeds attributable to that Impugned Mortgage shall be paid to the Receiver to be held in trust, pending the Determination and any related Court orders. The Receiver will hold those proceeds in an interest-bearing trust account (the “**Sale Proceeds**”).
35. The Sale Proceeds shall be held in place of the Impugned Mortgage and any related claims in these receivership proceedings, without prejudice to any Objecting Mortgagor’s rights with respect to such proceeds, including any claim that the Impugned Mortgage is void or unenforceable due to fraud. For further clarity, payment of Sale Proceeds into trust under this section shall not constitute an admission as to the validity or enforceability of the Impugned Mortgage.

**F. Determination of Title Insurance Claims**

36. Within 60 days following the Court’s determination from the Approval Motion, the applicable title insurer shall make a determination regarding coverage in respect of the relevant Title Insurance Claims (“**Coverage Determination**”), and the applicable title insurer shall deliver its Coverage Determination to the Receiver, relevant Objecting Mortgagor and Interested Parties in writing.
37. If the Receiver wishes to dispute a Coverage Determination made by the applicable title insurer, the Receiver shall deliver a notice of dispute to the title insurer within 14 days of receipt of a Coverage Determination (a “**Coverage Dispute Notice**”). If the Receiver accepts a Coverage Determination, the Receiver may seek Court approval of its decision to do so. The title insurer is not required to obtain Court approval of its Coverage Determinations.
38. If a Coverage Dispute Notice is delivered by the Receiver, the parties shall subsequently confer and attempt to agree on a timetable for the scheduling of a motion before the Court for an adjudication of the Coverage Dispute Notice. If an agreement on a timetable cannot be reached within 14 days of receipt of a Coverage Dispute Notice, a Court attendance

shall be scheduled for procedural directions and to establish a timetable for the hearing of such motion. Subject to the Court's directions, the motion shall be determined primarily on the materials submitted to the Receiver in accordance with this Protocol, including any transcripts of cross-examinations conducted in respect of the affidavit evidence submitted by the Objecting Mortgagor and/or Interested Parties.

39. The Court's adjudication of the issues in respect of a Coverage Dispute Notice shall be final and binding on the applicable title insurer, relevant Objecting Mortgagor and Interested Parties in these receivership proceedings, and the Court may make such further orders as it considers appropriate.
40. The Receiver may request adjudication by the Court of multiple Coverage Dispute Notices at the same time, including within a single motion or hearing, as the Receiver considers appropriate.

#### **G. Notice**

41. All notices, service or delivery of materials to the Receiver in connection with this Protocol shall be effected by e-mail to the Receiver, as follows:

**KSV RESTRUCTURING INC.**

220 Bay St. Suite 1300,  
Toronto, ON M5J 2W4

**Mitch Vininsky**

Tel: 416-932-6013

Email: [mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com)

**Tony Trifunovic**

Tel: 416-932-6013

Email: [ttrifunovic@ksvadvisory.com](mailto:ttrifunovic@ksvadvisory.com)

and to the Receiver's independent legal counsel, as follows:

**THORNTON GROUT FINNIGAN LLP**

100 Wellington Street West  
Suite 3200, TD West Tower  
Toronto ON M5K 1K7

**Rebecca Kennedy**  
Tel: (416) 304-0603  
Email: [rkennedy@tgc.ca](mailto:rkennedy@tgc.ca)

**Derek Harland**  
Tel: (416) 304-1127  
Email: [dharland@tgc.ca](mailto:dharland@tgc.ca)

**Denna Jalili**  
Tel: (416) 304-0312  
Email: [djalili@tgc.ca](mailto:djalili@tgc.ca)

**EQUITABLE BANK**  
Applicant

and

**EQUITYLINE SPV LIMITED PARTNERSHIP |**  
Respondent  
Court File No.: CV-24-00721560-00CL

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

Proceedings commenced at Toronto

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**FOURTH REPORT OF THE RECEIVER,  
KSV RESTRUCTURING INC.**

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**THORNTON GROUT FINNIGAN LLP**  
100 Wellington Street West  
Suite 3200, TD West Tower  
Toronto ON M5K 1K7

**Rebecca Kennedy (LSO# 61146S)**  
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**Derek Harland (LSO# 79504N)**  
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Email: [dharland@tgf.ca](mailto:dharland@tgf.ca)

**Denna Jalili (LSO# 84976N)**  
Tel: (416) 304-0312  
Email: [djalili@tgf.ca](mailto:djalili@tgf.ca)

Lawyers for the Court-appointed receiver of EquityLine  
SPV Limited Partnership, KSV Restructuring Inc.

# **TAB 3**

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

THE HONOURABLE	)	TUESDAY, THE 13TH
	)	
	)	
JUSTICE KIMMEL	)	DAY OF JANUARY, 2026

**EQUITABLE BANK**

Applicant

and

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

**ORDER  
(Approval of Mortgage Adjudication Protocol)**

**THIS MOTION** made by KSV Restructuring Inc. (“**KSV**”) in its capacity as Court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings and properties of EquityLine SPV Limited Partnership (“**EquityLine**”) for, among other things, approval of the Mortgage Adjudication Protocol (as defined below), was heard by videoconference this day at the courthouse located at 330 University Avenue, Toronto, Ontario.

**ON READING** the Fourth Report of the Receiver dated January 5, 2026, and the appendices thereto, and on hearing submissions from counsel to the Receiver and counsel to those other parties listed on the Participant Information Form, and no one else appearing for any other interested person, although duly served as evidenced by the Lawyer’s Certificate of Service of Denna Jalili, filed.

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Motion Record of the Receiver is hereby validated, such that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Mortgage Adjudication Protocol attached at Schedule “A” hereto (the “**Mortgage Adjudication Protocol**”).

## **APPROVAL OF THE MORTGAGE ADJUDICATION PROTOCOL**

3. **THIS COURT ORDERS** that the Mortgage Adjudication Protocol and the procedures contemplated therein be and are hereby approved, subject to such non-material amendments as may be made by the Receiver.
4. **THIS COURT ORDERS** that the Receiver is authorized and directed to take such steps as it deems necessary or advisable to carry out and perform its obligations under the Mortgage Adjudication Protocol, subject to approval of this Court being obtained in respect of any Determination made by the Receiver.
5. **THIS COURT ORDERS** that the Receiver is authorized to immediately commence the Mortgage Adjudication Protocol.
6. **THIS COURT ORDERS** that the Receiver and its respective affiliates, partners, employees, representatives and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Mortgage Adjudication Protocol, except to the extent such losses, claims, damages or liabilities result from the gross negligence or willful misconduct of the Receiver, as determined by the Court.
7. **THIS COURT ORDERS** that in overseeing the Mortgage Adjudication Protocol, the Receiver shall have all benefits and protections granted to it under any order of this Court in the within proceeding.

## **GENERAL**

8. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.
9. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any other foreign jurisdiction 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.
11. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. Toronto Time on the date of this Order.

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**SCHEDULE “A”**

# Mortgage Adjudication Protocol

## A. Introduction

1. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 8, 2024 (the “**Receivership Order**”), KSV Restructuring Inc. was appointed receiver, without security, of the assets, undertakings and properties of EquityLine SPV Limited Partnership (in such capacity, the “**Receiver**”).
2. The purpose of this Mortgage Adjudication Protocol (the “**Protocol**”) is to establish a procedure for the orderly review and determination of the claims made by certain mortgagors (the “**Objecting Mortgagors**”) of loans advanced by EquityLine SPV Limited Partnership (“**EquityLine**”), who each allege that the mortgage(s) registered on title to their properties in favour of EquityLine<sup>1</sup> were procured through fraud, including, but not limited to any claims that the mortgages constitute a “fraudulent instrument” within the meaning of the *Land Titles Act*, R.S.O. 1990, c. L.5.
3. On [January] [13], 2026, the Court granted an order approving the Protocol (the “**Protocol Approval Order**”).
4. The Protocol will be administered by the Receiver, under supervision of the Court.

## B. Scope and Application of the Protocol

5. This Protocol applies solely to: (i) claims by Objecting Mortgagors in respect of loans advanced by EquityLine who allege that the mortgage registered on title to their property (each, an “**Impugned Mortgage**”) in favour of EquityLine was procured through, or is based upon, a fraud; and (ii) where applicable, claims for losses asserted under the corresponding title insurance policies in respect of the Impugned Mortgages (the “**Title Insurance Claims**”). In particular, this Protocol governs the adjudication of whether such

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<sup>1</sup> Encompassing both mortgages registered directly in favour of EquityLine or by Computershare Trust Company of Canada as custodian of EquityLine’s interests.

Impugned Mortgages ought to be deleted from title, and the manner in which the Title Insurance Claims are to be resolved or finally determined.

6. Disputes relating solely to interest, fees, arrears, servicing, enforcement or other contractual issues unrelated to fraud are not within the scope of this Protocol.
7. Claims that have already been finally determined by a Court or tribunal of competent jurisdiction are not to be adjudicated under this Protocol.

**C. Service**

8. References to “service” or “deliver” in this Protocol shall mean service or delivery by e-mail to the last known e-mail address of the person to be served, and such service shall be deemed effective from the date of the e-mail.

**D. Procedure**

- I. Objecting Mortgagor Initiation and Submission of Evidence – [February] [27], 2026
9. Within 45 days of the issuance of the Court order approving this Protocol (the “**Mortgagor Claim Deadline**”), all Objecting Mortgagors shall deliver to the Receiver a sworn or affirmed affidavit comprehensively setting out the nature of the alleged fraud and all supporting documentation upon which the Objecting Mortgagor intends to rely (collectively, the “**Mortgagor Materials**”).
10. The Mortgagor Materials shall comprise the Objecting Mortgagor’s complete evidentiary record for the purposes of this Protocol, subject only to (i) any further requests for documentation, particulars or information that the Receiver may make at any time, which the Objecting Mortgagor shall respond to within 14 days of such request by the Receiver; and (ii) any Reply Materials (defined below) submitted by the Objecting Mortgagor.
11. Objecting Mortgagors who do not file their materials by the Mortgagor Claim Deadline shall be deemed to accept the validity and enforceability of their respective EquityLine mortgages and shall not be entitled to contest, within these receivership proceedings or

otherwise, the validity of same or any enforcement action taken by the Receiver in respect thereof.

**II. Delivery of Mortgagor Materials to Interested Parties**

12. Within 15 days of receipt of the Mortgagor Materials, the Receiver shall deliver the Mortgagor Materials to those parties that, in the Receiver's sole discretion, have a sufficient interest in a given Objecting Mortgagor's claim, which may include, as applicable:
  - (a) EquityLine;
  - (b) Computershare Trust Company of Canada;
  - (c) The relevant title insurer;
  - (d) Any party named as a defendant by the Objecting Mortgagor in litigation concerning the Impugned Mortgage, that the Receiver deems in its sole, unfettered discretion to have a sufficient interest in adjudication under this Protocol;
  - (e) LAWPRO, where the alleged fraud may give rise to a potential professional liability claim; and
  - (f) Such other parties the Receiver considers appropriate or as the Court may direct (collectively, the "**Interested Parties**").
13. Service of the Mortgagor Materials on an Interested Party in accordance with this section constitutes sufficient notice for the purposes of this Protocol and the Interested Parties served shall be bound by any adjudications made under this Protocol in respect of the relevant Impugned Mortgage.
14. The Receiver shall, within 15 days of receipt, deliver to the Interested Parties any documentation, information or particulars submitted in response to a request issued by the Receiver.

**III. Responses by Interested Parties**

15. Each Interested Party that receives the Mortgagor Materials pursuant to Section D.II. of this Protocol shall, within 60 days of such receipt (the "**Interested Party Submission Deadline**"), deliver to the Receiver a written response by way of sworn or affirmed affidavit, together with any supporting documentation on which that Interested Party

intends to rely (collectively, the “**Interested Party Materials**”). Any Interested Party that does not deliver Interested Party Materials by the Interested Party Submission Deadline shall be deemed to have elected not to provide a response.

16. The Interested Party Materials shall comprise the Interested Party’s complete evidentiary record for the purposes of this Protocol, subject only to any further requests for documentation, particulars or information that the Receiver may make at any time, which the Interested Party shall respond to within 14 days of such request by the Receiver.
17. The Receiver shall deliver the Interested Party Materials, and any follow-up documentation, particulars or information submitted in response to a request by the Receiver, to the relevant Objecting Mortgagor within 7 days of receipt of same.

#### IV. Reply by Objecting Mortgagor

18. The Objecting Mortgagor shall have the right to deliver brief reply materials (the “**Reply Materials**”) in response to the evidence contained in the Interested Party Materials. The Objecting Mortgagor shall deliver Reply Materials to the Receiver within 7 days of receipt of the Interested Party Materials (the “**Reply Materials Submission Deadline**”). The Receiver shall promptly deliver same to the relevant Interested Parties.

#### V. Receiver’s Determination and Court Approval

19. If the Objecting Mortgagor’s claims are not resolved through prior Mediation (as set out in Section D.V, below) the Receiver shall make a determination in respect of the Impugned Mortgage (the “**Determination**”) based upon:
  - (a) the Mortgagor Materials;
  - (b) the Interested Party Materials;
  - (c) the Reply Materials; and
  - (d) any additional documents provided pursuant to this Protocol, other than documents exchanged exclusively in furtherance of a Mediation.
20. The Receiver shall issue the Determination to the Objecting Mortgagor and Interested Parties within 60 days from the later of:

- (a) the Reply Materials Submission Deadline; and
- (b) termination of Mediation, if applicable.

21. If any Objecting Mortgagor or Interested Party wishes to dispute a Determination, such party must deliver to the Receiver, within 7 days of receipt of a Determination, a notice that such party is disputing the Determination (a “**Notice of Dispute**”).
22. If a Notice of Dispute is received by the Receiver with respect to a Determination, the parties shall confer and attempt to agree on a timetable for the scheduling of a motion before the Court for an adjudication of the Determination. If the parties fail to agree on a timetable within 14 days of receipt of a Notice of Dispute, the parties shall attend before the Court for procedural directions and to establish a timetable for the hearing of such motion. Subject to the Court’s directions, the motion shall be determined primarily on the materials submitted to the Receiver in accordance with this Protocol, including any transcripts of cross-examinations conducted in respect of the affidavit evidence submitted by the Objecting Mortgagor and/or Interested Parties.
23. Regardless of whether a Notice of Dispute is delivered, the Receiver shall seek Court approval of each Determination by way of a motion to this Court (the “**Approval Motion**”). Subject to any timetable established by paragraph 21, above, the Receiver shall serve motion materials in respect of an Approval Motion in accordance with the applicable practice directions of the Court.
24. If the Court approves a Determination, such Determination shall be final and binding on the Objecting Mortgagor and all Interested Parties in these receivership proceedings. The Court may make such further orders as it considers appropriate, including, without limitation, orders authorizing the Receiver to arrange for the discharge of the Impugned Mortgage or directing the appropriate land registrar to delete the Impugned Mortgage from title.
25. The Receiver may seek Court approval of multiple Determinations at the same time, including within a single motion or hearing, as the Receiver considers appropriate.

VI. Mandatory Mediation (at the Receiver's Election)

26. At any time following the commencement of the Mortgage Adjudication Protocol, the Receiver may, in its sole discretion, direct that the Objecting Mortgagor and any other Interested Party that the Receiver considers necessary or appropriate participate in a mediation (a "**Mediation**").
27. Upon such direction, the parties shall attend a Mediation before , or such other person as may be appointed by the Court (the "**Mediator**") within 30 days of the Receiver's direction, subject to the Mediator's availability.
28. Participation in the Mediation shall be mandatory for the Objecting Mortgagor and each Interested Party directed by the Receiver to participate.
29. The fees and expenses of the Mediator shall be paid in accordance with an agreement reached among the parties participating in the Mediation acting reasonably, failing which such fees and expenses shall be paid as directed by the Court.
30. All communications made exclusively during the course of Mediation shall be without prejudice and strictly confidential. For greater clarity, no communications, documents or information exchanged exclusively in the course of a Mediation shall be included in, attached to or relied upon in any Approval Motion, Notice of Dispute or other Court proceeding arising under this Protocol, except as may be necessary to enforce a settlement approved by the Court.
31. Subject to Section D.VII, the absence, failure or termination of any Mediation shall not suspend or extend any deadline set out in this Protocol.

VII. Extension to Deadlines

32. The Receiver may extend any deadline under this Protocol on a reasonable basis by written notice to the relevant Objecting Mortgagor and Interested Parties.
33. Any other party to this Protocol may extend a deadline hereunder upon obtaining the written consent of the Receiver, relevant Objecting Mortgagor and the Interested Parties, as the case may be, or with leave of the Court.

**E. Proceeds of Sale**

34. If an Objecting Mortgagor intends to sell, or has sold, property encumbered by an Impugned Mortgage, the net sale proceeds attributable to that Impugned Mortgage shall be paid to the Receiver to be held in trust, pending the Determination and any related Court orders. The Receiver will hold those proceeds in an interest-bearing trust account (the “**Sale Proceeds**”).
35. The Sale Proceeds shall be held in place of the Impugned Mortgage and any related claims in these receivership proceedings, without prejudice to any Objecting Mortgagor’s rights with respect to such proceeds, including any claim that the Impugned Mortgage is void or unenforceable due to fraud. For further clarity, payment of Sale Proceeds into trust under this section shall not constitute an admission as to the validity or enforceability of the Impugned Mortgage.

**F. Determination of Title Insurance Claims**

36. Within 60 days following the Court’s determination from the Approval Motion, the applicable title insurer shall make a determination regarding coverage in respect of the relevant Title Insurance Claims (“**Coverage Determination**”), and the applicable title insurer shall deliver its Coverage Determination to the Receiver, relevant Objecting Mortgagor and Interested Parties in writing.
37. If the Receiver wishes to dispute a Coverage Determination made by the applicable title insurer, the Receiver shall deliver a notice of dispute to the title insurer within 14 days of receipt of a Coverage Determination (a “**Coverage Dispute Notice**”). If the Receiver accepts a Coverage Determination, the Receiver may seek Court approval of its decision to do so. The title insurer is not required to obtain Court approval of its Coverage Determinations.
38. If a Coverage Dispute Notice is delivered by the Receiver, the parties shall subsequently confer and attempt to agree on a timetable for the scheduling of a motion before the Court for an adjudication of the Coverage Dispute Notice. If an agreement on a timetable cannot be reached within 14 days of receipt of a Coverage Dispute Notice, a Court attendance

shall be scheduled for procedural directions and to establish a timetable for the hearing of such motion. Subject to the Court's directions, the motion shall be determined primarily on the materials submitted to the Receiver in accordance with this Protocol, including any transcripts of cross-examinations conducted in respect of the affidavit evidence submitted by the Objecting Mortgagor and/or Interested Parties.

39. The Court's adjudication of the issues in respect of a Coverage Dispute Notice shall be final and binding on the applicable title insurer, relevant Objecting Mortgagor and Interested Parties in these receivership proceedings, and the Court may make such further orders as it considers appropriate.
40. The Receiver may request adjudication by the Court of multiple Coverage Dispute Notices at the same time, including within a single motion or hearing, as the Receiver considers appropriate.

#### **G. Notice**

41. All notices, service or delivery of materials to the Receiver in connection with this Protocol shall be effected by e-mail to the Receiver, as follows:

**KSV RESTRUCTURING INC.**

220 Bay St. Suite 1300,  
Toronto, ON M5J 2W4

**Mitch Vininsky**

Tel: 416-932-6013

Email: [mvininsky@ksvadvisory.com](mailto:mvininsky@ksvadvisory.com)

**Tony Trifunovic**

Tel: 416-932-6013

Email: [ttrifunovic@ksvadvisory.com](mailto:ttrifunovic@ksvadvisory.com)

and to the Receiver's independent legal counsel, as follows:

**THORNTON GROUT FINNIGAN LLP**

100 Wellington Street West  
Suite 3200, TD West Tower  
Toronto ON M5K 1K7

**Rebecca Kennedy**  
Tel: (416) 304-0603  
Email: [rkennedy@tgc.ca](mailto:rkennedy@tgc.ca)

**Derek Harland**  
Tel: (416) 304-1127  
Email: [dharland@tgc.ca](mailto:dharland@tgc.ca)

**Denna Jalili**  
Tel: (416) 304-0312  
Email: [djalili@tgc.ca](mailto:djalili@tgc.ca)

**EQUITABLE BANK**  
Applicant

and

**EQUITYLINE SPV LIMITED PARTNERSHIP |**  
Respondent  
Court File No.: CV-24-00721560-00CL

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

Proceedings commenced at Toronto

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**ORDER**  
**(Approval of Mortgage Adjudication Protocol)**

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Lawyers for the Court-appointed receiver of EquityLine  
SPV Limited Partnership, KSV Restructuring Inc.

**EQUITABLE BANK**

Applicant

and

**EQUITYLINE SPV LIMITED PARTNERSHIP**

Respondent

Court File No. CV-24-00721560-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD**

**(Motion for Approval of Mortgage Adjudication Protocol)  
Returnable January 13, 2025**

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